

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Oscoda County	County Oscoda
Audit Date 12/31/04	Opinion Date 5/10/05	Date Accountant Report Submitted to State: 6/27/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☒ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Anderson & Decker, P.C.			
Street Address P.O. Box 746	City Roscommon	State MI	ZIP 48653
Accountant Signature 	Date 6/27/05		

Digitally signed by James M. Anderson, CPA
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o=Anderson & Decker, PC,
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Date: 2005.06.27 16:38:25 -04'00'

OSCODA COUNTY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2004

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Anderson & Decker, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

May 10, 2005

Board of Commissioners
Oscoda County
Mio, Michigan 48647

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Oscoda, Michigan, as of and for the year ended December 31, 2004, which collectively comprise the basic financial statements of Oscoda County's primary government as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion based on our audit. We did not audit the financial statements of the Oscoda County Road Commission (special revenue discretely presented component unit) which represents 100 percent of the assets and revenues of the component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oscoda County Road Commission, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provides a reasonable basis for our opinions.

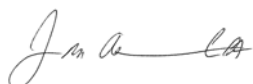
In our opinion, based on our audit and the report of the other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Oscoda County, Michigan as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 10, 2005, on our consideration of Oscoda County's internal control over financial reporting and our test of its compliance with certain provision of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

As described in Note A, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as of December 31, 2004.

The Management's Discussion and Analysis on pages 3-9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Oscoda County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of Oscoda County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.



ANDERSON & DECKER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

OSCODA COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Oscoda, we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County of Oscoda exceeded its liabilities as the close of the most recent fiscal year by \$4,883,981 (*net assets*). Of this amount, \$3,011,297 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County of Oscoda's governmental funds reported combined ending net assets of \$2,758,981.
- At December 31, 2004, unreserved fund balance of General Fund was \$95,002, or 3% of General Fund annual expenditures.
- 100% Tax Payment Enterprise Fund ended year with \$2,125,000 net assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Oscoda County's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Oscoda County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of Oscoda County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial positions of the Oscoda County is improving or deteriorating.

The *Statement of Activities* presents information showing how the Oscoda County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., uncollected taxes and earned but unused vacation leave).

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

Both of the government-wide financial statements distinguish functions of Oscoda County that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). *Governmental activities* include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, recreation and culture, and other functions. *Business-type activities* include delinquent tax collections.

The county's governmental activities also include a legally separate entity (component unit) for which the county is financially accountable. The *component unit* included is the Oscoda County Road Commission. Financial information for the balance of the component unit is reported separately from the financial information presented for the primary government itself. A separately issued report can be obtained from the component unit's office as stated in Note A.

Fund Financial Statements. A fund is a grouping of related accounts and is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Oscoda like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Oscoda County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Most of the county's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the county's general governmental operations and the basic services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*.

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

The County of Oscoda maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, ambulance and housing commission funds, each of which is considered to be a major fund. Data for the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary Funds. The county maintains only one of the two different types of proprietary funds: enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The county uses enterprise funds to account for its delinquent tax collections. *Internal service funds* are used to accumulate and allocate costs internally among the county's various functions. Oscoda County has no internal service funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only with more detail. The proprietary fund financial statements provide separate information for each enterprise fund.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds and combining component unit funds are presented immediately following the General Fund detail schedule of Expenditures.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial analysis focuses on the net assets and changes in net assets of the governmental and business-type activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the county's assets exceeded its liabilities by \$4,883,981 at December 31, 2004.

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

[Because this is the first year of implementation of Government Account Standards Board Statement No. 34, which requires this new reporting model, the following tables present only current year data. In future years, when prior-year information is available, comparative analysis of government-wide data will be presented].

County of Oscoda's Net Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current and Other Assets	\$ 4,558,953	\$ 2,125,000	\$ 6,683,953
Net Capital Assets	<u>1,872,684</u>	<u>-0-</u>	<u>1,872,684</u>
 Total Assets	 <u>6,431,637</u>	 <u>2,125,000</u>	 <u>8,556,637</u>
 Long-Term Liabilities Outstanding	 75,675	 -0-	 75,675
Other Liabilities	<u>3,596,981</u>	<u>-0-</u>	<u>3,596,981</u>
 Total Liabilities	 <u>3,672,656</u>	 <u>-0-</u>	 <u>3,672,656</u>
 Net Assets			
Invested in Capital Assets			
Net of Related Debt	1,872,684	-0-	1,872,684
Restricted	43,266	-0-	43,266
Unrestricted	<u>843,031</u>	<u>2,125,000</u>	<u>2,968,031</u>
 Total Net Assets	 <u><u>\$ 2,758,981</u></u>	 <u><u>\$ 2,125,000</u></u>	 <u><u>\$ 4,883,981</u></u>

A large portion of the county's net assets, \$1,872,684 (38 percent), reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The county uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The largest portion of the county's net assets, \$2,968,031 (61 percent), represents *unrestricted net assets* that may be used to meet the county's ongoing obligations to citizens and creditors.

The remaining balance of \$43,266, (1 percent), represents resources that are subject to external restrictions on how they may be used.

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

County of Oscoda Changes in Net Assets

	Governmental Activities	Business-Type Activities	Total
Revenue			
Program Revenue			
Charges for Services	\$ 1,159,692	\$ 240,967	\$ 1,400,659
Operating Grants and Contributions	1,125,612	-0-	1,125,612
Capital Grants and Contributions	68,442	-0-	68,442
General Revenue			
Property Taxes	2,280,100	-0-	2,280,100
Other	144,254	23,020	167,274
Total Revenue	<u>4,778,100</u>	<u>263,987</u>	<u>5,042,087</u>
Expenses			
Legislative	135,617	-0-	135,617
Judicial	529,134	-0-	529,134
General Government	1,390,242	-0-	1,390,242
Public Safety	1,748,384	-0-	1,748,384
Public Works	45,882	-0-	45,882
Health and Welfare	1,038,472	-0-	1,038,472
Recreation and Cultural	264,950	-0-	264,950
Delinquent Tax	-0-	22,942	22,942
Total Expenses	<u>5,152,681</u>	<u>22,942</u>	<u>5,175,623</u>
Increase (Decrease) in Net Assets Before Transfers	(374,581)	241,942	(133,536)
Transfers	<u>282,000</u>	<u>(282,000)</u>	<u>-0-</u>
Change in Net Assets	(92,581)	(40,955)	(133,536)
Net Assets—Beginning of Year	<u>2,851,562</u>	<u>2,165,955</u>	<u>5,017,517</u>
Net Assets—End of Year	<u>\$ 2,758,981</u>	<u>\$ 2,125,000</u>	<u>\$ 4,883,981</u>

The county's net assets decreased by \$133,536 during the current year. This decrease is attributable to increases in payroll and insurance benefits compared to a marginal increase in revenues.

Governmental Activities. Governmental activities decreased the county's net assets by \$92,581. Without the transfer of \$282,000 from the 100% Tax Payment Enterprise Funds, the Governmental activities would have resulted in a net asset decrease of \$374,581.

Business-Type Activities. Business-type activities decreased the county's net assets by \$40,955. The decrease is from transfers to the General Fund.

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

FINANCIAL ANALYSIS

Increases in expenditures during 2004 were mainly due to employee payroll and insurance benefit increases, most of which were set by multi-year contracts between Oscoda County and the employee unions.

Oscoda County has complied and reported the County's fixed assets in accordance with GASB No. 34 for the first time this year. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the estimated useful life. The detailed fixed asset statement may be reviewed at the Commissioner's office.

Oscoda County has continued to make improvements to the Oscoda County Airport, thereby increasing its utility and contributing to long-term economic development within the county. Many of the improvements have been funded with state and federal grants.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenue Sharing for Oscoda County was cut the last quarter of 2004, due to State budgetary problems. This appears to be a practice that we can expect to continue.

Because of the impact of Proposal A and the Headlee rollbacks, Oscoda County has not received increases in the taxable value on existing property that keep up with inflation. Growth in new construction has helped to offset these losses, but this is a short-term fix. Increased support will be necessary to handle the needs of our community.

Approval of both the Sheriff Operational and Ambulance Equipment millages in 2004 have helped to offset Proposal A and Headlee rollbacks, and will provide the funds needed to support the needs of our growing population.

New controls and changes are needed in the Child Care Fund. The problem of rising cost associated with this fund has had the attention of the Court and the Board of Commissioners.

The establishment of the Register of Deeds Automation Fund in accordance with Act 698 of 2002 provides \$5.00 for each recorded document to fund upgrades to equipment and programs for the Register of Deeds. This will help provide a wider range of services and enable the Register of Deeds to meet some of the changing demands that have occurred.

Our tax revolving fund has grown to the point that future increases may be considered for use as funding for budget stabilization and/or capital improvements funds.

OSCODA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

NEXT YEAR'S FORECAST

If all goes as anticipated, Oscoda County should have a new Master Plan in 2005. Countywide participation is a crucial part of the planning process and is necessary to prepare for the future needs of the county.

Oscoda County will continue to improve countywide emergency response training, equipment and communications. Grants have been written and funding has been requested to accomplish these goals.

CLOSING

This financial report is intended to provide our citizens, taxpayers and the general public with an overview of county finances and how they are spent.

OSCODA COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Primary Government			Component
	Governmental	Business Type		Unit
	Activities	Activities	Total	Road Commission
ASSETS				
Cash and Investments	\$ 847,981	\$ 1,831,669	\$ 2,679,650	\$ 886,367
Receivables				
Accounts receivable	310,051	-0-	310,051	2,787
Current tax	2,638,179	-0-	2,638,179	-0-
Delinquent tax	-0-	289,005	289,005	-0-
Interest	-0-	3,385	3,385	-0-
Other governments	294,833	941	295,774	444,655
Mortgages	429,025	-0-	429,025	-0-
Prepaid insurance	38,884	-0-	38,884	-0-
Inventories	-0-	-0-	-0-	641,972
Capital Assets - Net	<u>1,872,684</u>	<u>-0-</u>	<u>1,872,684</u>	<u>3,765,049</u>
Total Assets	<u>6,431,637</u>	<u>2,125,000</u>	<u>8,556,637</u>	<u>5,740,830</u>
LIABILITIES				
Accounts payable	149,084	-0-	149,084	49,465
Accrued liabilities	32,445	-0-	32,445	16,455
Due to other governmental units	42,350	-0-	42,350	-0-
Deferred revenue	3,373,102	-0-	3,373,102	-0-
Long-term Liabilities				
Accrued compensated absences	<u>75,675</u>	<u>-0-</u>	<u>75,675</u>	<u>127,609</u>
Total Liabilities	<u>3,672,656</u>	<u>-0-</u>	<u>3,672,656</u>	<u>193,529</u>
NET ASSETS				
Investment in Capital Assets net of related debt	1,872,684	-0-	1,872,684	3,765,049
Restricted for:				
Family counseling	19,459	-0-	19,459	-0-
Title III	14,020	-0-	14,020	-0-
Drunk driving caseflow assistance	9,787	-0-	9,787	-0-
Contributed Capital				
County Roads	-0-	-0-	-0-	1,782,252
Unrestricted	<u>843,031</u>	<u>2,125,000</u>	<u>2,968,031</u>	<u>-0-</u>
Total Net Assets	<u>\$ 2,758,981</u>	<u>\$ 2,125,000</u>	<u>\$ 4,883,981</u>	<u>\$5,547,301</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
Legislative	\$ 135,617	\$ -0-	\$ -0-	\$ -0-	\$ (135,617)
Judicial	529,134	262,335	263,750	-0-	(3,049)
General government	1,390,242	286,771	103,452	-0-	(1,000,019)
Public safety	1,748,384	431,035	230,528	68,442	(1,018,379)
Public works	45,882	4,495	-0-	-0-	(41,387)
Health and welfare	1,038,472	58,743	425,972	-0-	(553,757)
Recreation & cultural	264,950	116,313	101,910	-0-	(46,727)
Total governmental activities	<u>5,152,681</u>	<u>1,159,692</u>	<u>1,125,612</u>	<u>68,442</u>	<u>(2,798,935)</u>
Business-type activities					
Delinquent property tax	22,942	240,967	-0-	-0-	218,025
Total business-type activities	<u>22,942</u>	<u>240,967</u>	<u>-0-</u>	<u>-0-</u>	<u>218,025</u>
Total primary government	<u>\$ 5,175,623</u>	<u>\$ 1,400,659</u>	<u>\$ 1,125,612</u>	<u>\$ 68,442</u>	<u>\$ (2,580,910)</u>
Component unit					
Road Commission	\$ 2,179,800	\$ 25,349	\$ 4,855,035	\$ -0-	\$ 2,700,584
Total component units	<u>\$ 2,179,800</u>	<u>\$ 25,349</u>	<u>\$ 4,855,035</u>	<u>\$ -0-</u>	<u>\$ 2,700,584</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
STATEMENT OF ACTIVITIES (Concluded)
FOR THE YEAR ENDED DECEMBER 31, 2004

	Governmental Activities	Primary Government Business-type Activities	Total	Component Units Road Commission
Changes in net assets				
Net (expense) revenue	<u>\$ (2,798,935)</u>	<u>\$ 218,025</u>	<u>\$ (2,580,910)</u>	<u>\$ 2,700,584</u>
General revenues:				
Property taxes	2,280,100	-0-	2,280,100	-0-
Convention tax	43,114	-0-	43,114	-0-
Cigarette tax	5,416	-0-	5,416	-0-
State shared revenue not restricted to specific programs	81,217	-0-	81,217	-0-
Unrestricted investment earnings	14,507	23,020	37,527	7,392
Sales of capital assets	-0-	-0-	-0-	(3,534)
Transfers - internal activities	<u>282,000</u>	<u>(282,000)</u>	<u>-0-</u>	<u>-0-</u>
Total general revenues, contributions and transfers	<u>2,706,354</u>	<u>(258,980)</u>	<u>2,447,374</u>	<u>3,858</u>
Change in net assets	(92,581)	(40,955)	(133,536)	2,704,442
Net assets, beginning of year	<u>2,851,562</u>	<u>2,165,955</u>	<u>5,017,517</u>	<u>2,842,859</u>
Net assets, end of year	<u>\$ 2,758,981</u>	<u>\$ 2,125,000</u>	<u>\$ 4,883,981</u>	<u>\$ 5,547,301</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

ASSETS	General Fund	Ambulance Fund	HUD Fund
Cash demand and time deposits	\$ 49,207	\$ 154,076	\$ 12,861
Taxes receivable	2,128,349	146,087	-0-
Accounts receivable	-0-	305,898	-0-
Due from other funds	19,859	1,890	-0-
Due from governmental units	139,006	-0-	34,088
Prepaid expenses	31,470	945	-0-
Long-term mortgages receivable	-0-	-0-	429,025
Total Assets	<u>\$ 2,367,891</u>	<u>\$ 608,896</u>	<u>\$ 475,974</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 76,913	\$ 13,987	\$ -0-
Due to other funds	3,041	6,916	8,138
Due to governmental units	-0-	-0-	20,310
Accrued liabilities	21,320	5,332	-0-
Deferred revenue	2,128,349	451,985	429,025
Total Liabilities	<u>2,229,623</u>	<u>478,220</u>	<u>457,473</u>
Fund Equity:			
Reserved for family counseling	19,459	-0-	-0-
Reserved for district court caseflow assistance	9,787	-0-	-0-
Reserved for forest service	14,020	-0-	-0-
Undesignated	95,002	130,676	18,501
Total Fund Equity	<u>138,268</u>	<u>130,676</u>	<u>18,501</u>
Total Liabilities and Fund Equity	<u>\$ 2,367,891</u>	<u>\$ 608,896</u>	<u>\$ 475,974</u>

The accompanying notes are an integral part of these financial statements.

Other Funds	Total
\$ 631,837	\$ 847,981
363,743	2,638,179
4,153	310,051
13,067	34,816
121,739	294,833
6,469	38 884
-0-	429,025
<u>\$ 1,141,008</u>	<u>\$ 4,593,769</u>

\$ 58,184	\$ 149,084
16,721	34,816
22,040	42,350
5,793	32,445
<u>363,743</u>	<u>3,373,102</u>
<u>466,481</u>	<u>3,631,797</u>
-0-	19,459
-0-	9,787
-0-	14,020
<u>674,527</u>	<u>918,706</u>
<u>674,527</u>	<u>961,972</u>
<u>\$ 1,141,008</u>	<u>\$ 4,593,769</u>

OSCODA COUNTY
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
DECEMBER 31, 2004

Fund balances - total governmental funds	\$ 961,972
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets	3,915,204
Deduct - accumulated depreciation	(2,042,520)
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	<u>(75,675)</u>
Net assets of governmental activities	<u>\$ 2,758,981</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2004

	General Fund	Ambulance Fund
Revenue:		
Taxes	\$ 1,868,651	\$ 139,844
Licenses and permits	13,358	-0-
Federal	91,817	-0-
State	460,271	-0-
Charges for services	440,710	266,310
Fines and forfeits	11,430	-0-
Interest earned	8,323	1,250
Rents and royalties	11,050	-0-
Reimbursements and refunds	88,750	-0-
Other	-0-	-0-
Total Revenue	<u>2,994,360</u>	<u>407,404</u>
Expenditures:		
Legislative	129,752	-0-
Judicial	413,317	-0-
General government	1,048,896	-0-
Public safety	1,036,105	313,327
Public works	-0-	-0-
Health and welfare	166,992	-0-
Recreation and cultural	-0-	-0-
Other	290,685	-0-
Total Expenditures	<u>3,085,747</u>	<u>313,327</u>
Excess:		
Revenue over (under) expenditures	<u>(91,387)</u>	<u>94,077</u>
Other Financing Sources:		
Operating transfers in	296,922	-0-
Operating transfers out	(308,359)	-0-
Total Other Financing Sources (Uses)	<u>(11,437)</u>	<u>-0-</u>
Excess:		
Revenue and other financing sources over (under) expenditures and other financing uses	(102,824)	94,077
Fund balance (deficit) - January 1	<u>241,092</u>	<u>36,599</u>
Fund balance (deficit) - December 31	<u>\$ 138,268</u>	<u>\$ 130,676</u>

The accompanying notes are an integral part of these financial statements.

<u>HUD Fund</u>	<u>Other Funds</u>	<u>Totals</u>
\$ -0-	\$ 271,605	\$ 2,280,100
-0-	138,250	151,608
55,383	-0-	147,200
42,420	518,247	1,020,938
-0-	107,642	814,662
-0-	93,692	105,122
-0-	4,934	14,507
-0-	-0-	11,050
-0-	-0-	88,750
54,062	90,101	144,163
<u>151,865</u>	<u>1,224,471</u>	<u>4,778,100</u>
-0-	-0-	129,752
-0-	110,737	524,054
-0-	28,767	1,077,663
-0-	400,606	1,750,038
-0-	45,882	45,882
177,653	693,827	1,038,472
-0-	227,342	227,342
-0-	-0-	290,685
<u>177,653</u>	<u>1,507,161</u>	<u>5,083,888</u>
<u>(25,788)</u>	<u>(282,690)</u>	<u>(305,788)</u>
-0-	308,359	605,281
-0-	(14,922)	(323,281)
<u>-0-</u>	<u>293,437</u>	<u>282,000</u>
(25,788)	10,747	(23,788)
<u>44,289</u>	<u>663,780</u>	<u>985,760</u>
<u>\$ 18,501</u>	<u>\$ 674,527</u>	<u>\$ 961,972</u>

OSCODA COUNTY
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
FOR THE YEAR ENDED DECEMBER 31, 2004

Net change in fund balances - total governmental funds \$ (23,788)

Amounts reported for governmental activities in the statement of
net assets are different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Add - capital outlay	174,187
Deduct - depreciation expense	(221,366)

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not reported
as expenditures in the funds.

Deduct - increase in the accrual for compensated absences	<u>(21,614)</u>
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Change in net assets of governmental activities	<u><u>\$ (92,581)</u></u>
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The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash demand and time deposits	\$ 49,207	\$ 170,669
Prepaid expenses	31,471	-0-
Due from other governmental units	139,006	155,596
Due from other funds	19,858	21,489
Taxes receivable	<u>2,128,349</u>	<u>1,751,305</u>
Total Assets	<u>\$ 2,367,891</u>	<u>\$ 2,099,059</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 76,913	\$ 49,285
Due to other funds	3,041	3,041
Accrued liabilities	21,320	54,336
Deferred revenue	<u>2,128,349</u>	<u>1,751,305</u>
Total Liabilities	<u>2,229,623</u>	<u>1,857,967</u>
Fund Equity:		
Fund balance:		
Reserved for family counseling	19,459	18,689
Reserved for district court caseflow assistance	9,787	9,147
Reserved for forest service	14,020	7,334
Reserved for airport	-0-	30,739
Undesignated	<u>95,002</u>	<u>175,183</u>
Total Fund Equity	<u>138,268</u>	<u>241,092</u>
Total Liabilities and Fund Equity	<u>\$ 2,367,891</u>	<u>\$ 2,099,059</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Taxes	\$ 1,861,105	\$ 1,861,105	\$ 1,868,651	\$ 7,546
Licenses and permits	10,325	10,325	13,358	3,033
Federal	67,000	109,000	91,817	(17,183)
State	497,208	536,994	460,271	(76,723)
Charges for services	344,845	344,845	440,710	95,865
Fines and forfeitures	5,000	5,000	11,430	6,430
Interest earned	20,000	20,000	8,323	(11,677)
Rents	17,733	17,733	11,050	(6,683)
Reimbursements and refunds	65,250	65,250	88,750	23,500
Total Revenue	<u>2,888,466</u>	<u>2,970,252</u>	<u>2,994,360</u>	<u>24,108</u>
Expenditures:				
Legislative	121,390	136,505	129,752	6,753
Judicial	405,374	416,177	413,317	2,860
General government	1,007,563	1,095,068	1,048,896	46,172
Public safety	925,059	1,070,491	1,036,105	34,386
Health and welfare	164,387	173,694	166,992	6,702
Recreation and cultural	6,998	98	-0-	98
Other	268,132	290,132	290,685	(553)
Total Expenditures	<u>2,898,903</u>	<u>3,182,165</u>	<u>3,085,747</u>	<u>96,418</u>
Excess:				
Revenues over (under) expenditures	<u>(10,437)</u>	<u>(211,913)</u>	<u>(91,387)</u>	<u>120,526</u>
Other Financing Sources (Uses):				
Operating transfers in	238,500	298,500	296,922	(1,578)
Operating transfers out	<u>(305,921)</u>	<u>(309,939)</u>	<u>(308,359)</u>	<u>1,580</u>
Total Other Financing Sources (Uses)	<u>(67,421)</u>	<u>(11,439)</u>	<u>(11,437)</u>	<u>2</u>
Excess:				
Revenue and other financing sources over (under) expenditures and other financing uses	<u>(77,858)</u>	<u>(223,352)</u>	<u>(102,824)</u>	<u>120,528</u>
Fund balance (deficit) - January 1	<u>241,092</u>	<u>241,092</u>	<u>241,092</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 163,234</u>	<u>\$ 17,740</u>	<u>\$ 138,268</u>	<u>\$ 120,528</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
AMBULANCE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 154,076	\$ 70,163
Accounts receivable	305,898	279,092
Prepaid expenses	945	-0-
Due from other funds	1,890	1,890
Taxes receivable	<u>146,087</u>	<u>140,014</u>
Total Assets	<u>\$ 608,896</u>	<u>\$ 491,159</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 13,987	\$ 20,951
Accrued liabilities	5,332	7,587
Due to other funds	6,916	6,916
Deferred revenue	<u>451,985</u>	<u>419,106</u>
Total Liabilities	<u>478,220</u>	<u>454,560</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>130,676</u>	<u>36,599</u>
Total Fund Equity	<u>130,676</u>	<u>36,599</u>
Total Liabilities and Fund Equity	<u>\$ 608,896</u>	<u>\$ 491,159</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
 AMBULANCE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Property taxes	\$ 139,375	\$ 139,375	\$ 139,844	\$ 469
Ambulance fees	200,000	200,000	266,310	66,310
Interest	<u>300</u>	<u>300</u>	<u>1,250</u>	<u>950</u>
Total Revenue	<u>339,675</u>	<u>339,675</u>	<u>407,404</u>	<u>67,729</u>
Expenditures:				
Salaries	218,700	220,700	183,146	37,554
Fringes	40,900	41,053	35,994	5,059
Supplies	19,376	19,376	18,492	884
Repair and maintenance	6,000	6,000	8,207	(2,207)
Uniforms and laundry	1,550	1,550	2,700	(1,150)
Employee training	3,200	3,200	1,278	1,922
Gas and oil	7,800	7,800	6,969	831
Contractual service	21,000	21,000	44,384	(23,384)
Physicals	250	250	201	49
Travel	100	100	130	(30)
Insurance	6,715	6,715	6,070	645
Utilities	6,100	6,100	2,425	3,675
Capital outlay	1,000	1,000	-0-	1,000
Miscellaneous	<u>4,994</u>	<u>4,994</u>	<u>3,331</u>	<u>1,663</u>
Total Expenditures	<u>337,685</u>	<u>339,838</u>	<u>313,327</u>	<u>26,511</u>
Excess:				
Revenues over (under) expenditures	1,990	(163)	94,077	94,240
Fund Balance (deficit) - January 1	<u>36,599</u>	<u>36,599</u>	<u>36,599</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 38,589</u>	<u>\$ 36,436</u>	<u>\$ 130,676</u>	<u>\$ 94,240</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
HUD FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 12,861	\$ 22,795
Loans receivable	429,025	425,919
Due from other governmental units	<u>34,088</u>	<u>42,557</u>
 Total Assets	 <u>\$ 475,974</u>	 <u>\$ 491,271</u>
 LIABILITIES AND FUND EQUITY		
Liabilities:		
Due to other funds	\$ 8,138	\$ 9,768
Due to state	14,721	8,422
Due to federal	5,589	2,873
Deferred revenue	<u>429,025</u>	<u>425,919</u>
 Total Liabilities	 <u>457,473</u>	 <u>446,982</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>18,501</u>	<u>44,289</u>
 Total Fund Equity	 <u>18,501</u>	 <u>44,289</u>
 Total Liabilities and Fund Equity	 <u>\$ 475,974</u>	 <u>\$ 491,271</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
HUD FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Federal	\$ 72,411	\$ 72,411	\$ 55,383	\$ (17,028)
State	93,750	93,750	42,420	(51,330)
Loan repayments	<u>28,895</u>	<u>28,895</u>	<u>54,062</u>	<u>25,167</u>
Total Revenue	<u>195,056</u>	<u>195,056</u>	<u>151,865</u>	<u>(43,191)</u>
Expenditures:				
Salaries and per diem	16,250	16,250	16,533	(283)
Fringes	6,864	6,864	6,174	690
Supplies	1,250	1,250	2,156	(906)
Contractual services	<u>167,124</u>	<u>167,124</u>	<u>152,790</u>	<u>14,334</u>
Total Expenditures	<u>191,488</u>	<u>191,488</u>	<u>177,653</u>	<u>13,835</u>
Excess:				
Revenue over (under) expenditures	3,568	3,568	(25,788)	(29,356)
Fund balance (deficit) - January 1	<u>44,289</u>	<u>44,289</u>	<u>44,289</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 47,857</u>	<u>\$ 47,857</u>	<u>\$ 18,501</u>	<u>\$ (29,356)</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
100% TAX PAYMENT ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 1,675,774	\$ 1,551,132
Investments	155,895	154,321
Taxes receivable	289,005	460,004
Interest receivable	3,385	1,616
Due from other governmental units	<u>941</u>	<u>39,557</u>
Total Assets	<u>2,125,000</u>	<u>2,206,630</u>
LIABILITIES		
Liabilities:		
Due to other governmental units	<u>-0-</u>	<u>40,675</u>
Total Liabilities	<u>-0-</u>	<u>40,675</u>
NET ASSETS		
Unrestricted	<u>2,125,000</u>	<u>2,165,955</u>
Total Net Assets	<u><u>\$ 2,125,000</u></u>	<u><u>\$ 2,165,955</u></u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
 100% TAX PAYMENT ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2004 AND COMPARISON TO DECEMBER 31, 2003

	<u>2004</u>	<u>2003</u>
Operating Revenues:		
Penalties on taxes	\$ 174,129	\$ 187,376
Collection fees	<u>66,838</u>	<u>26,904</u>
Total Operating Revenues	<u>240,967</u>	<u>214,280</u>
Operating Expenses:		
Administrative costs	<u>22,942</u>	<u>27,860</u>
Total Operating Expenses	<u>22,942</u>	<u>27,860</u>
Operating Income	<u>218,025</u>	<u>186,420</u>
Nonoperating Revenue (Expenses):		
Interest revenue	23,020	16,639
Operating transfers out	<u>(282,000)</u>	<u>(275,393)</u>
Total Nonoperating Revenue (Expenses)	<u>(258,980)</u>	<u>(258,754)</u>
Net Income (Loss)	(40,955)	(72,334)
Net Assets - January 1	<u>2,165,955</u>	<u>2,238,289</u>
Net Assets - December 31	<u>\$ 2,125,000</u>	<u>\$ 2,165,955</u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
 100% TAX PAYMENT ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2004 AND COMPARISON TO DECEMBER 31, 2003

	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (40,955)	\$ (72,334)
Adjustments to reconcile net income to net cash flows from operating activities:		
Changes in assets and liabilities:		
Decrease (increase) in taxes receivable	170,999	13,807
Decrease (increase) in interest receivable	(1,769)	2,236
Decrease (increase) in due from other governmental units	38,616	(28,537)
Increase (decrease) in due to other governmental units	<u>(40,675)</u>	<u>(1,224)</u>
Net Cash Provided From (Used For) Operating Activities	<u>126,216</u>	<u>(86,052)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	126,216	(86,052)
Cash and Cash Equivalents at January 1	<u>1,705,453</u>	<u>1,791,505</u>
Cash and Cash Equivalents at December 31	<u><u>\$ 1,831,669</u></u>	<u><u>\$ 1,705,453</u></u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
STATEMENT OF FIDUCIARY FUND NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2004

ASSETS

Cash demand and time deposits	<u>\$ 637,541</u>
Total Assets	<u><u>\$ 637,541</u></u>

LIABILITIES

Due to governmental units	\$ 76,128
Undistributed collections	479,776
Other current liabilities	<u>81,637</u>
Total Liabilities	<u><u>\$ 637,541</u></u>

The accompanying notes are an integral part of these financial statements.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies:

DESCRIPTION OF COUNTY OPERATIONS AND FUND TYPES

The County was organized in 1881 and covers an area of approximately 24 square miles with the County seat located in Mio, Michigan. The County operates under an elected Board of Commissioners of five (5) members and provides services, assistance and care to its more than 9,348 residents, primarily from the operations of its General Fund and Special Revenue Funds. The County's services, assistance and care include the (1) general county departments, boards and commissions; (2) court system administration; (3) law enforcement and corrections; (4) assistance and/or institutional care to the aged, needy, wards of the court and neglected children, public and mental health recipients; (5) libraries, and (6) recreation.

REPORTING ENTITY

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity," these financial statements present Oscoda County (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

COMPONENT UNITS - In conformity with generally accepted accounting principles, the financial statements of Component Units have been included in the financial reporting entity either as blended component units or as discretely presented component units.

DISCRETELY PRESENTED COMPONENT UNITS - The Component Units' Columns in the Combined Financial Statements include the financial data of the Oscoda County Road Commission. These financial statements are reported in a separate column to emphasize that they are legally separate from the County.

OSCODA COUNTY ROAD COMMISSION: The Road Commission operates under an elected Board of Commissioners; however, the Road Commission is fiscally dependent on the County because treasury functions are maintained by the County Treasurer, the County approval is needed for entering into certain types of debt, and it would be misleading to exclude these financial statements from the Reporting Entity's financial statements. Copies of the separately audited financial statements of the Road Commission can be obtained at their business office located at 308 W. 8th Street, Mio, Michigan, 48647.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

JOINT VENTURE - Oscoda County was an equal participant with Montmorency County in a joint venture to operate a sanitary landfill. The landfill was governed by representatives of both Counties. Each County had an equal ownership of the landfill and an ongoing financial responsibility. Treasury functions, were maintained by the Montmorency County Treasurer. During 1999, a landfill authority was established which includes Montmorency and Alpena County. All Treasury functions are the responsibility of Montmorency County. According to Governmental Accounting Standard Board Statement No. 14, the Landfill Authority is included in the Montmorency County financial statements. A copy of the financial statements can be obtained from the Montmorency County Clerk, Atlanta, Michigan 49709.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the year for which they were levied, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and select compensated absences are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Ambulance Fund - This fund is used to account for revenue collected and operational expenses for the ambulance service provided by Oscoda County.

HUD Fund - This fund is used to account for the mortgage receivables and related program income and expenses for the housing grants administered by the County.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED):

The County reports the following major enterprise fund:

Tax Payment Fund - This fund is used to pay each local governmental unit, including the County General Fund, the respective amount of taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

Agency Funds are used to account for assets held on behalf of outside parties, including other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are interest and penalties on delinquent taxes and charges for services provided. Operating expenses for the enterprise funds consist of administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

BUDGETS AND BUDGETARY ACCOUNTING - Except as noted, all fund types and funds are under direct or superintending budgetary control of the County Board of Commissioners. Certain funds budgets are controlled by other County boards or commissions and/or department heads and certain program budgets are in effect for fiscal periods other than the County's fiscal year.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Governing board of commissions and/or department heads responsible for certain fund budgets transmit the budgetary information to the County Board of Commissioners for review and inclusion in the County's General and Special Appropriations Acts as required by the Uniform Budgeting and Accounting Act - Michigan Public Act 621 of 1978.

In accordance with the Uniform Budgeting and Accounting Act the County Board of Commissioners is responsible for all County funds except the County Road Fund which is the responsibility of the Board of County Road Commissioners and the Library Fund is the responsibility of the Library Board.

The County, through its appointed chief administrative and chief fiscal officer, follows the requirements of the Uniform Budgeting and Accounting Act in the preparation and execution of its annual budget. Any violations are disclosed in audits of the County's financial statements as required by law.

The budgets for the County's governmental fund types were adopted on a basis consistent with modified accrual basis of accounting consistent with the actual financial statements for the funds. The General Fund and Special Revenue Funds' budgets were reviewed and amended periodically throughout the year.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

INVENTORY - County Road Commission (Component Unit) road equipment parts and materials inventory items are stated at cost and utilized the first-in, first-out method of accounting when used. All other inventories, including the cost of supplies for other County funds are recorded as expenditures at the time of purchase.

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

	<u>Years</u>
Land improvements	20
Buildings	30-50
Public domain infrastructure	8-50
Equipment	3-20

DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

PROPERTY TAXES - Current property taxes are levied as of December 1 each year and attach an enforceable lien on the property. Current property taxes levied are collected by other local units of government until the subsequent year when revenue is recognized for the current budget year. Current property taxes from the December 1 levy, which are received prior to December 31, are normally held in the County's Trust and Agency Fund. It is the County's policy, through its 100% Tax Payment Enterprise Fund, to purchase delinquent real property taxes and special assessments each year to afford 100% collection of the current levy.

Although the County's 2004 and valorem tax is levied and collectible on December 1, 2004, it is the County's policy to recognize revenues from the current tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of the County's operations.

The assessed valued of the certified roll, upon which the levy for the 2004 fiscal year was based, was \$440,244,139. The tax rate, assessed for the year ended December 31, 2004, to finance General Fund Operations, Sheriff Equipment, Commission on Aging, and Ambulance operations special mileages, was 6.1452, .4913, .4639, and .4913 per \$1,000 respectively.

INTERNAL BALANCES - Any residual balances outstanding between the governmental activities and business-type activity are reported in the government-wide financial statements as "internal balances."

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund type statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

OTHER FINANCING SOURCES AND USES - The transfers of cash between the various County funds are budgeted but reported separately from revenues and expenditures as operating transfers in or (out), unless they represent temporary advances that are to be repaid, in which case, they are carried as assets and liabilities of the advancing or borrowing funds.

NOTE B - EXCESS EXPENDITURES OVER APPROPRIATIONS

Public Act 621 of 1978, section 18 (1), as amended, provides that a County shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County's actual expenditures and budgeted expenditures for the General Fund has been shown on a functional basis. The approved budget of the County for the General Fund was adopted on an activity and/or program level. During the year ended December 31, 2004, the General Fund and three of the County's Special Revenue Funds incurred functional expenditures which were in excess of amounts appropriated as follows:

<u>Fund/Function</u>	<u>Total Appropriations</u>	<u>Amount Expended</u>	<u>Budget Variance</u>
General Fund:			
Judicial:			
Circuit Court	\$ 79,707	\$ 86,875	\$ (7,168)
Public Safety:			
Dog Warden	\$ 32,595	\$ 33,899	\$ (1,304)
Jail	\$ 229,500	\$ 233,728	\$ (4,228)
Health and Welfare:			
District Health Department	\$ 60,542	\$ 61,047	\$ (505)
Others:			
Insurance, Bonds, and Fringes	\$ 290,132	\$ 290,685	\$ (553)
Operating Transfers out:			
Register of Deeds Automation	\$ 20,000	\$ 21,765	\$ (1,765)
Special Revenue Funds:			
Friend of the Court	\$ 100,011	\$ 105,746	\$ (5,735)
County Library	\$ 92,200	\$ 92,467	\$ (267)
Child Care	\$ 293,611	\$ 339,784	\$ (46,173)

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE C - CASH AND INVESTMENTS

The captions on the combined balance sheet related to deposits and investments are as follows:

	<u>Cash and Deposits</u>	<u>Investments</u>	<u>Total</u>
Primary Government:			
Government Activities	\$ 847,981	\$ -0-	\$ 847,981
Business-Type Activities	1,675,774	155,895	1,831,669
Agency Funds	637,541	-0-	637,541
Component Units:			
Road Commission	<u>886,367</u>	<u>-0-</u>	<u>886,367</u>
Total	<u>\$ 4,047,663</u>	<u>\$ 155,895</u>	<u>\$ 4,203,558</u>

The Government Accounting Standards Board Statement No. 3, risk disclosures for Oscoda County's cash deposits are as follows:

	<u>Carrying Amount</u>		
	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Insured (FDIC)	\$ 957,208	\$ 100,000	\$ 1,057,208
Uninsured and Uncollateralized	<u>2,204,088</u>	<u>786,367</u>	<u>2,990,455</u>
Total Deposits	<u>\$ 3,161,296</u>	<u>\$ 886,367</u>	<u>\$ 4,047,663</u>
	<u>Bank Balances</u>		
Insured (FDIC)	\$ 965,917	\$ 100,000	\$ 1,065,917
Uninsured and Uncollateralized	<u>2,299,909</u>	<u>786,367</u>	<u>3,086,276</u>
Total Deposits	<u>\$ 3,265,826</u>	<u>\$ 886,367</u>	<u>\$ 4,152,193</u>

Deposits - At year-end, the carrying amount of the County's deposits was \$4,047,663 and the bank balance was \$4,152,193. According to Section 330.8 of the Federal Deposit Insurance Corporation Rules and Regulations, approximately 26% of the total bank balance was covered by federal depository insurance.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE C - CASH AND INVESTMENTS (CONTINUED)

Investments - Act 217, PA 1982, authorizes the County to deposit and invest in the following:

- (a) bonds and other direct obligations of the United States or its agencies
- (b) certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under section 5 or 6 of Act 105, PA 1855, as amended (MCL 21.145 and 21.146)
- (c) Commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase and not more than 50 percent of any fund may be invested in commercial paper at any time
- (d) United States government or Federal agency obligation repurchase agreements
- (e) bankers' acceptance of United States banks
- (f) mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

The County's investments are categorized below to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the County's name.

	Category			Amount	Market Value
	1	2	3		
Risk - Categorized	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Categorized Investments	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	-0-
Non Risk - Categorized Mutual Funds				<u>155,895</u>	<u>155,895</u>
Total Investments				<u>\$ 155,895</u>	<u>\$ 155,895</u>

The non-categorized investments are the County's share of investment pools which were made up of U.S. Treasury, Agencies, and instrumentalities, commercial paper, banker's acceptances, and repurchase agreements which were not in the name of the County.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE D - ACCOUNTS RECEIVABLE

Accounts receivable consisted of amounts due from various sources of Ambulance receivables of \$305,898 and Emergency Services of \$4,153 totaling \$310,051.

The Ambulance receivables are offset by deferred revenue due to a question of their collectability.

NOTE E - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units consists of amounts due from the Federal Government of \$42,973, the State of Michigan of \$251,860, and from Schools of \$941, totaling \$295,774.

NOTE F - LONG-TERM MORTGAGE RECEIVABLE

Special Revenue Housing Fund mortgage receivable offset by deferred revenue amounts to \$429,025. Oscoda County received various Community Development Block Grants in prior years with the intent to upgrade certain qualified aging homes. Certain homes are secured with mortgages and grants with liens to qualified applicants. The mortgage interest rates varying from 0% to 3% and the grant with liens are payable upon transfers of title.

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

<u>Primary Government</u>	Beginning of year	Increases	Decreases	End of Year
Governmental activities:				
Land	\$ 95,300	\$ -0-	\$ -0-	\$ 95,300
Total capital Assets, not being depreciated	95,300	-0-	-0-	95,300
Capital assets, being depreciated:				
Building and improvements	2,463,799	25,230	-0-	2,489,029
Machinery and equipment	386,376	76,562	-0-	462,938
Vehicles	795,542	72,395	-0-	867,937
Total capital assets, being depreciated	3,645,717	174,187	-0-	3,819,904
Less accumulated depreciation for:				
Buildings and improvements	1,051,913	85,270	-0-	1,137,183
Machinery and equipment	220,110	53,670	-0-	273,780
Vehicles	549,131	82,426	-0-	631,557
Total accumulated depreciation	1,821,154	221,366	-0-	2,042,520
Net capital assets, being depreciated	1,824,563	(47,179)	-0-	1,777,384
Net governmental activities capital assets	\$ 1,919,863	\$ (47,179)	\$ -0-	\$ 1,872,684

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Legislative	\$ 5,059
Judicial	3,723
General government	49,940
Public safety	125,036
Recreation and Cultural	37,608
Total depreciation expense - governmental activities	<u>\$ 221,366</u>

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE H - PENSION PLANS

PRIMARY GOVERNMENT

Plan Description - Oscoda County participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity qualified under section 401(a) of the Internal Revenue Code, which has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, that includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2003. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit and (d) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2003 actuarial valuation to determine the annual employer contribution amounts. The entry age normal actuarial method was used to determine the entries at disclosure.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE H - PENSION PLANS (CONTINUED)

GASB 25 INFORMATION (as of 12/31/03)

Actuarial Accrued Liability:

Retirees and beneficiaries currently receiving benefits	\$ 2,385,250
Terminated employees not yet receiving benefits	425,609
Current Employees:	
Accumulated employee contributions including allocated investment income	330,622
Employer financed	<u>3,127,500</u>
Total actuarial accrued liability	6,268,981
Net assets available for benefits, at actuarial value (Market value is \$4,132,875)	<u>4,526,164</u>
Unfunded (over funded) actuarial accrued liability	<u><u>\$ 1,742,817</u></u>

GASB 27 INFORMATION (as of 12/31/03)

Fiscal year beginning	January 1, 2005
Annual required contribution (ARC)	\$ 203,892
Amortization factor used	0.053632

Contributions Required and Contributions Made - MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2004 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

Annual Pension Cost

<u>Year Ended December 31</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2001	\$ 145,874	100%	-0-
2002	164,514	100%	-0-
2003	180,710	100%	-0-

The County was required to contribute \$195,036 for the year ended December 31, 2004. Payments were based on contribution calculations made by MERS.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE H - PENSION PLAN (CONTINUED)

Aggregate Accrued Liabilities - Comparative Schedule

Actuarial Valuation Date <u>December 31</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % Of Covered Payroll
2001	\$ 4,083,212	\$ 5,297,444	\$ 1,214,232	77%	\$1,152,905	105%
2002	4,214,424	5,812,515	1,598,091	73%	1,291,290	124%
2003	4,526,164	6,268,981	1,742,817	72%	1,307,243	133%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997, and 2000 valuations. The funding method was changed to entry age normal for the 1993 valuation.

County Road - Component Unit

The Oscoda County Road Commission provides pension benefits for all of its full time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Road Commission Plan requires the employer to contribute a specific amount per employee, per month. The contribution for each hourly employee (all are covered by a collective bargaining agreement) was \$25.00 per month for the period of January 1, 2004 - December 31, 2004. The contribution for each salaried employee is \$400.00 per month. The plan does not allow the employees to make contributions. The Road Commission's contributions for each employee (and interest allocated to the employee's account) are fully vested upon the employee's entrance into the plan. The plan assets are shown at market value.

The Road Commission, on April 1, 2000, began covering the hourly employees through a defined benefit plan administered by the Steelworkers Pension Trust. The contribution rate for each employee is \$160 per month until October, 2001, when the rate became \$170 per month.

The Oscoda County Road Commission's total payroll for the year ended December 31, 2004 was \$875,251. The Road Commission's contributions were computed on the base earnings amount of \$808,843. The Road Commission deposited the required amount of \$36,350 to the defined contribution plan and \$40,630 and to the Steelworkers Pension Trust.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE I - LONG-TERM DEBT

Following is a summary of pertinent information concerning the County's long-term debt:

LEGAL DEBT MARGIN

Article 7, Section 11 of the Constitution of Michigan of 1963 states that, "No County shall incur any indebtedness which shall increase its total debt beyond 10 percent of its assessed valuation." In addition, Section 46.11b(2) of Compiled Laws of 1979 as amended concerning the purchases of land, property or equipment for a period of 10 years or less states in part: The aggregate outstanding balance shall not exceed $\frac{1}{2}$ of 1% of the equalized assessed value balance. Following is an analysis of the County Legal Debt Margin as of December 31, 2004. The County is in compliance with the aforementioned State of Michigan Statutes.

	<u>2004 State Equalized Value</u>	<u>Debt Limit 10%</u>	<u>Outstanding Debt</u>	<u>Legal Debt Margin</u>
Computation	\$ <u>453,848,610</u>	\$ <u>45,384,861</u>	\$ <u>203,284</u>	\$ <u>45,181,577</u>

Outstanding Debt Descriptions:

	<u>Primary Government</u>	<u>Road Commission</u>	<u>Total</u>
General Obligation:			
Compensated absences	\$ <u>75,675</u>	\$ <u>127,609</u>	\$ <u>203,284</u>
Totals	\$ <u>75,675</u>	\$ <u>127,609</u>	\$ <u>203,284</u>

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE I - LONG TERM DEBT (CONTINUED)

CHANGES IN LONG-TERM DEBT

	<u>Balance 1/1/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
<u>PRIMARY GOVERNMENT</u>				
Compensated Absence	\$ 54,061	\$(1) 21,614	\$ -0-	\$ 75,675
Total Primary Government	<u>54,061</u>	<u>21,614</u>	<u>-0-</u>	<u>75,675</u>
<u>COMPONENT UNITS</u>				
<u>Road Commission Component Unit</u>				
Compensated Absences	\$ 126,233	\$(1) 1,376	\$ -0-	\$ 127,609
Total Road Commission Long-Term Debt	<u>126,233</u>	<u>1,376</u>	<u>-0-</u>	<u>127,609</u>
Total Component Unit Long-Term Debt	<u>126,233</u>	<u>1,376</u>	<u>-0-</u>	<u>127,609</u>
Total Reporting Entity Long-Term Debt Account Group	<u>\$ 180,294</u>	<u>\$ 22,990</u>	<u>\$ -0-</u>	<u>\$ 203,284</u>

(1) Changes in compensated absences are shown as a net addition/reduction.

Contingent Liability - During 2002, the Montmorency - Oscoda - Alpena Solid Waste Management Authority issued \$775,000 of General Obligation Limited Tax Bonds. According to the issuance, Oscoda County has responsibility for the repayment of 1/3 of the balance in the occurrence of a default. The outstanding debt is included in the Authority's annual financial report. No other provisions are recorded in the Oscoda County financial statements.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE J - INTERFUND RECEIVABLES AND PAYABLES

Following is an analysis of the interfund receivables and payables:

<u>Fund Type/Fund</u>	<u>Interfund Receivable</u>	<u>Fund Type/Fund</u>	<u>Interfund Payable</u>
Governmental:		Governmental:	
General Fund	<u>\$ 19,859</u>	Special Revenue:	
		Park Fund	\$ 320
		County Library	3,056
		HUD Fund	8,138
		Ambulance	
		Equipment	2,095
		Basic Grant	<u>6,250</u>
Total	<u>\$ 19,859</u>	Total	<u>\$ 19,859</u>
Special Revenue			
Officer Training	<u>\$ 1,151</u>	General Fund	<u>\$ 1,151</u>
		Special Revenue:	
Ambulance Equipment	<u>\$ 6,916</u>	Ambulance	<u>\$ 6,916</u>
Ambulance Fund	<u>\$ 1,890</u>	General Fund	<u>\$ 1,890</u>
		Special Revenue:	
Basic Grant	<u>\$ 5,000</u>	Child Care	<u>\$ 5,000</u>

NOTE K - RESTRICTED NET ASSETS

Net Asset reserves can be described as follows:

<u>Reserved For</u>	<u>Amount</u>	<u>Description</u>
Primary Government:		
Family Counseling	<u>\$ 19,459</u>	Portion of marriage license fee to be used for family counseling.
District Court - Caseflow Assistance	<u>\$ 9,787</u>	Revenues dedicated to the increase efficiency in processing traffic violations and prevention of drunk driving.
Forest Service (Title III)	<u>\$ 14,020</u>	Grant revenues dedicated for search, rescue, emergency services, wildfire prevention and education.
Component Unit:		
County Road Commission	<u>\$ 1,782,252</u>	Amount of County Road Commission Primary and local road funds.

OSCODA COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2004

NOTE L - POST EMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note H, the Road Commission provides post-retirement health care benefits for retirees who are at least 55 years of age and have 10 years of service. The Road Commission pays the premium expense covering the retiree, spouse and any dependent children up to the age of 25. Coverage is also provided for spouses of deceased retirees. These benefits were established by Board resolution and are funded on a pay-as-you-go basis. The cost for this benefit during the year ended December 31, 2004 was \$180,526 which covered 26 retirees and surviving spouses of deceased retirees.

NOTE M - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As a result of the higher cost of obtaining commercial insurance, the County joined the Michigan Municipal Liability and Property Pool. The Pool was established in 1982 under Public Act 138 of 1982, as amended by Public Act 36 of 1988, to develop and administer a group program of liability and property self insurance for Michigan municipalities. The objectives of the Pool are to establish and administer a municipal risk management service, to lessen the incidence of property and casualty losses occurring in the operation of local governmental functions, and to defend members of the Pool against stated liability or loss. Any city or village which is a member of the Michigan Municipal League or any instrumentality of any city or village or, any governmental city which holds Service Associate States with the League is eligible to participate in the Pool. There are approximately 740 members in the Pool. The Pool is self-sustaining through member premiums and reinsures through NLC Mutual Insurance Company. Settled claims from these risks have not exceeded insurance coverages for the past three years.

The County is also a member of the Michigan Municipal Workers Compensation Fund. This program was formed in 1977 under the sponsorship of the Michigan Municipal League and is subject to the direct supervision and regulation of the Bureau of Workers Disability Compensation and the Michigan Department of Labor. The County has a workers compensation liability coverage of \$500,000.

NOTE N - UNAUTHORIZED FUND BALANCE DEFICITS / CASH OVERDRAFTS:

A Fund Balance deficit existed in the following fund as of December 31, 2004:

<u>Fund Type/Fund</u>	<u>Fund Balance Deficit</u>	<u>Cash Overdraft</u>
Special Revenue:		
911 Emergency Services	\$ -0-	\$ 2,011
Child Care	\$ 63,074	\$ 40,786

Public Act 275 of 1980 requires Oscoda County to file a deficit elimination plan with the Michigan Department of Treasury within 90 days after the end of the fiscal year for each fund that ended that year in a deficit condition. Oscoda County had not filed the required plan as of the date of this audit.

SUPPLEMENTAL FINANCIAL INFORMATION

OSCODA COUNTY
GENERAL FUND
DETAIL ANALYSIS OF REVENUES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

TAXES:

Current property taxes	\$ 1,749,006	
State in lieu of taxes	53,169	
Federal in lieu of taxes	65,172	
Township in lieu of taxes	<u>1,304</u>	\$ 1,868,651

LICENSES AND PERMITS:

Licenses	340	
Dog licenses	6,721	
CCW Permits	2,765	
Soil erosion permits	<u>3,532</u>	13,358

FEDERAL:

Forest service	23,375	
Civil defense	<u>68,442</u>	91,817

STATE:

Probate judges salary	23,356	
Judges standardization	4,312	
Secondary road patrol	50,662	
Prosecuting attorney		
cooperative reimbursement	24,206	
Juvenile officer	27,317	
Victim's right act	15,117	
Convention facility tax	43,114	
State income tax	81,217	
Liquor license	10,515	
Cigarette tax	5,416	
State-aid caseload assistance	9,763	
State court grant	4,930	
Remonumentation grant	69,404	
State court equity funding	69,152	
Snowmobile grant	11,287	
Marine safety	10,345	
Airport grant	<u>158</u>	460,271

OSCODA COUNTY
GENERAL FUND
DETAIL ANALYSIS OF REVENUES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

CHARGES FOR SERVICES:

Circuit court costs and fees	\$ 7,892	
Probate court costs and fees	7,904	
District court costs and fees	224,407	
Family court costs and fees	2,134	
Clerk fees	14,005	
Register of deeds fees	106,963	
Register of deeds transfer tax	46,571	
Monumentation/recording fees	237	
Treasurer fees	4,368	
Sheriff fees	14,148	
Family counseling	1,520	
Duplicating / fax	485	
Transport of prisoners	812	
Motor pool	3,080	
Dog Pick-up	1,689	
Landfill	<u>4,495</u>	\$ 440,710

FINES AND FORFEITURES:

District court bonds	<u>11,430</u>	11,430
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INTEREST EARNED:

8,323

RENTS:

11,050

REIMBURSEMENTS AND REFUNDS:

Equalization	63,374	
Other	<u>25,376</u>	<u>88,750</u>

Total Revenue 2,994,360

OTHER FINANCING SOURCES:

Operating Transfers In:		
Basic Grant Fund	11,250	
Tax Revolving Fund	282,000	
Register of Deeds Fund	<u>3,672</u>	<u>296,922</u>

TOTAL REVENUE AND OTHER FINANCING SOURCES \$ 3,291,282

OSCODA COUNTY
GENERAL FUND
EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Legislative:				
Board of Commissioners	\$ 85,155	\$ 97,155	\$ 92,268	\$ 4,887
Executive Secretary	<u>36,235</u>	<u>39,350</u>	<u>37,484</u>	<u>1,866</u>
Total Legislative	<u>121,390</u>	<u>136,505</u>	<u>129,752</u>	<u>6,753</u>
Judicial:				
Circuit Court	84,707	79,707	86,875	(7,168)
Family Court	90,894	90,894	86,625	4,269
District Court	144,972	151,380	149,722	1,658
Probate Court	80,201	89,296	85,234	4,062
Jury Commission	<u>4,600</u>	<u>4,900</u>	<u>4,861</u>	<u>39</u>
Total Judicial	<u>405,374</u>	<u>416,177</u>	<u>413,317</u>	<u>2,860</u>
General Government:				
Governmental Administration	127,769	149,822	136,109	13,713
Cooperative Extension	48,624	61,764	59,995	1,769
County Clerk	104,839	106,396	102,379	4,017
Courthouse and Grounds	191,823	194,900	189,128	5,772
Elections	24,400	12,400	11,735	665
Equalization	127,081	137,158	131,026	6,132
Motor Pool	55,512	59,089	56,832	2,257
Prosecuting Attorney	141,093	149,331	144,205	5,126
Register of Deeds	93,337	133,123	129,746	3,377
Treasurer	87,085	91,085	87,741	3,344
Airport	<u>6,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total General Government	<u>1,007,563</u>	<u>1,095,068</u>	<u>1,048,896</u>	<u>46,172</u>
Public Safety:				
Soil Erosion	1,196	1,496	1,440	56
Civil Defense	54,350	88,350	80,596	7,754
Dog Warden	26,595	32,595	33,899	(1,304)
Jail	154,500	229,500	233,728	(4,228)
Marine Safety	27,282	22,282	21,802	480
Planning Commission	3,100	3,110	2,248	862
Snowmobile Grant	24,759	13,259	11,166	2,093
Sheriff	583,356	630,978	605,595	25,383
Traffic Safety	<u>49,921</u>	<u>48,921</u>	<u>45,631</u>	<u>3,290</u>
Total Public Safety	<u>925,059</u>	<u>1,070,491</u>	<u>1,036,105</u>	<u>34,386</u>

OSCODA COUNTY
GENERAL FUND
EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Health and Welfare:				
Economic Development	\$ 12,203	\$ 12,510	\$ 10,393	\$ 2,117
Substance Abuse	22,785	22,785	21,557	1,228
District Health Department	60,542	60,542	61,047	(505)
Medical Examiner	7,500	14,500	13,226	1,274
Mental Health	23,800	23,800	23,800	-0-
Youth Services	37,557	39,557	36,969	2,588
Total Health and Welfare	<u>164,387</u>	<u>173,694</u>	<u>166,992</u>	<u>6,702</u>
Recreation and Cultural:				
Forest Service	<u>6,998</u>	<u>98</u>	<u>-0-</u>	<u>98</u>
Total Recreation and Cultural	<u>6,998</u>	<u>98</u>	<u>-0-</u>	<u>98</u>
Other:				
Insurance, Bonds, and Fringes	<u>268,132</u>	<u>290,132</u>	<u>290,685</u>	<u>(553)</u>
Total Other	<u>268,132</u>	<u>290,132</u>	<u>290,685</u>	<u>(553)</u>
Total Expenditures	<u>2,898,903</u>	<u>3,182,165</u>	<u>3,085,747</u>	<u>96,418</u>
Other Financing Uses:				
Operating transfers out:				
Child Care	144,500	144,500	144,500	-0-
Law Library	2,760	2,760	2,760	-0-
Soldiers and Sailors	7,500	7,500	7,500	-0-
Family Independence	8,441	8,441	7,441	1,000
Sheriff Drug Fund	10,360	10,360	10,360	-0-
Park Fund	3,000	3,000	3,000	-0-
Public Guardianship	685	685	685	-0-
Hazardous Materials	2,175	5,475	5,475	-0-
Historical Commission	1,500	4,500	4,500	-0-
Friend of the Court	10,000	10,000	10,000	-0-
Ambulance Equipment	45,000	25,000	22,655	2,345
Public Improvement	50,000	30,000	30,000	-0-
Register of Deeds Automation	20,000	20,000	21,765	(1,765)
Airport Fund	-0-	37,718	37,718	-0-
Total Other Financing Uses	<u>305,921</u>	<u>309,939</u>	<u>308,359</u>	<u>1,580</u>
Total Expenditures and Other Financing Uses	<u>\$ 3,204,824</u>	<u>\$ 3,492,104</u>	<u>\$ 3,394,106</u>	<u>\$ 97,998</u>

OSCODA COUNTY
 GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

LEGISLATIVE

BOARD OF COMMISSIONERS:

Salaries and per diem	\$ 35,897		
Fringes	45,435		
Supplies	99		
Travel	7,972		
Printing and publishing	2,865	\$	92,268

EXECUTIVE SECRETARY:

Salaries	25,652		
Fringes	11,389		
Supplies	443		37,484

JUDICIAL

CIRCUIT COURT:

Supplies	1,957		
Jury duty	587		
Attorney fees	16,734		
Contractual services	1,403		
Transcripts	5,892		
Travel	1,417		
Payments to other counties	58,885		86,875

FAMILY COURT:

Salaries	55,855		
Fringes	16,127		
Supplies	1,188		
Attorney fees	9,860		
Contractual services	1,724		
Transcripts	77		
Telephone	148		
Travel	660		
Membership, dues and fees	200		
Repairs and maintenance	786		86,625

DISTRICT COURT:

Salaries	76,493		
Fringes	15,543		
Supplies	7,316		
Jury duty	1,047		
Contractual services	1,871		
Attorney fees	39,021		
Transcripts	242		
Travel	2,600		
Membership, dues and fees	385		
Printing and publishing	711		
Repairs and maintenance	177		
Payments to other counties	2,432		
Capital outlay	1,884		149,722

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

JUDICIAL (CONTINUED)

PROBATE COURT:

Salaries	\$ 54,834	
Fringes	18,079	
Supplies	1,860	
Attorney fees	5,136	
Travel	758	
Membership, dues and fees	640	
Contractual services	3,404	
Repair and maintenance	<u>523</u>	\$ 85,234

JURY COMMISSION:

Per diem	2,393	
Supplies	2,301	
Travel	<u>167</u>	4,861

GENERAL GOVERNMENT

GOVERNMENTAL ADMINISTRATION:

Health insurance	195	
MAC dues	6,102	
Northern county dues	60	
NEMCOG	2,066	
Sheriff CCW fees	256	
Audit	12,450	
Legal consultant	14,163	
Contractual services	83,436	
Civil projects	5,903	
Title III forest service	5,550	
Capital outlay	<u>5,928</u>	136,109

COOPERATIVE EXTENSION:

Salaries	20,580	
Fringes	5,897	
Supplies	859	
Contractual services	18,865	
Travel	2,655	
Title III forest service	<u>11,139</u>	59,995

COUNTY CLERK:

Salaries	71,010	
Fringes	22,149	
Supplies	4,695	
Travel	614	
Membership, dues and fees	320	
Printing and publishing	1,001	
Equipment maintenance and repair	883	
Equipment rental	<u>1,707</u>	102,379

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

GENERAL GOVERNMENT (CONTINUED)

COURTHOUSE AND GROUNDS:

Salaries	\$ 69,180	
Fringes	29,190	
Supplies	6,831	
Uniforms	1,360	
Gasoline	1,763	
Electric	17,829	
Fuel oil/L.P. /natural gas	19,008	
Sewer/water	5,450	
Telephone	16,065	
Maintenance and repair	8,026	
Contractual services	3,850	
Capital outlay	<u>10,576</u>	\$ 189,128

ELECTIONS:

Per diem	1,059	
Printing and publishing	<u>10,676</u>	11,735

EQUALIZATION:

Salaries	75,853	
Fringes	33,005	
Supplies	947	
Dues	405	
Printing and publishing	19,454	
Travel	1,025	
Training	<u>337</u>	131,026

MOTOR POOL:

Salaries	30,723	
Fringes	12,044	
Supplies	952	
Vehicle repair parts	<u>13,113</u>	56,832

PROSECUTING ATTORNEY:

Salaries	108,290	
Fringes	28,680	
Supplies	2,558	
Witness fees	2,053	
Travel	354	
Dues	1,245	
Equipment repair and maintenance	<u>1,025</u>	144,205

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

GENERAL GOVERNMENT (CONTINUED)

REGISTER OF DEEDS:

Salaries	\$ 41,492	
Fringes	13,649	
Supplies	3,064	
Contractual services	1,938	
Remonumentation	69,404	
Equipment repair and maintenance	<u>199</u>	\$ 129,746

TREASURER:

Salaries	64,246	
Fringes	20,072	
Supplies	1,848	
Telephone	168	
Dues	150	
Travel	<u>1,257</u>	87,741

PUBLIC SAFETY

CIVIL DEFENSE:

Contractual Services	16,542	
Office supplies	200	
Emergency supplies	41,321	
Travel	124	
Capital outlay	<u>22,409</u>	80,596

SOIL EROSION:

1,440

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

PUBLIC SAFETY (CONTINUED)

DOG WARDEN:

Contractual services	\$ 18,023	
Supplies	2,586	
Gas and oil	1,302	
Dog disposal/damage	10,500	
Dog tags	257	
Training	545	
Utilities	<u>686</u>	\$ 33,899

JAIL:

Travel	795	
Meals	2,481	
Lodging - other jails	210,488	
Supplies	784	
Medical	17,531	
Laundry	<u>1,649</u>	233,728

MARINE SAFETY:

Salaries	14,173	
Fringes	6,355	
Uniform allowance	65	
Travel	1,170	
Training	<u>39</u>	21,802

PLANNING COMMISSION:

Per diem	1,724	
Fringes	131	
Travel	375	
Office supplies	<u>18</u>	2,248

SNOWMOBILE GRANT:

Salaries	9,351	
Fringes	804	
Gas and oil	<u>1,011</u>	11,166

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

PUBLIC SAFETY (CONTINUED)

SHERIFF:

Salaries	\$ 418,541	
Fringes	135,810	
Supplies	3,809	
Employee training	2,438	
Gas and oil	16,707	
Uniforms & laundry	6,170	
Utilities	7,883	
Firearms and supplies	2,612	
Dues	364	
Liens	6,219	
Repairs and maintenance	3,739	
Printing and publishing	<u>1,303</u>	\$ 605,595

TRAFFIC SAFETY:

Salaries	32,304	
Fringes	10,796	
Gas and oil	<u>2,531</u>	45,631

HEALTH AND WELFARE

ECONOMIC DEVELOPMENT:

Wages	5,996	
Fringes	2,136	
Per diem	1,350	
Supplies	379	
Travel	234	
Printing and publishing	273	
Training	<u>25</u>	10,393

SUBSTANCE ABUSE:

21,557

DISTRICT HEALTH DEPARTMENT:

61,047

MEDICAL EXAMINER/AUTOPSY:

13,226

MENTAL HEALTH:

23,800

OSCODA COUNTY
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

HEALTH AND WELFARE (CONTINUED)

YOUTH SERVICES:

Salaries	\$ 22,996	
Fringes	13,209	
Supplies	513	
Telephone	141	
Travel	<u>110</u>	\$ 36,969

OTHER

INSURANCE, BONDS, AND FRINGES:

Bonds	595	
Fringes	248,508	
Insurance	<u>41,582</u>	<u>290,685</u>

Total Expenditures		<u>3,085,747</u>
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OTHER FINANCING USES:

Operating transfers out:	
Family Independence Agency	7,441
Child care	144,500
Law library	2,760
Soldiers and sailors	7,500
Public improvement	30,000
Sheriff drug fund	10,360
Park fund	3,000
Public guardianship	685
Hazardous materials	5,475
Historical commission	4,500
Friend of the court	10,000
Airport fund	37,718
Ambulance equipment	22,655
Register of deeds automation fund	<u>21,765</u>

Total Other Financing Uses		<u>308,359</u>
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Total Expenditures and Other Financing Uses		<u><u>\$ 3,394,106</u></u>
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OSCODA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	<u>Sheriff Equipment</u>	<u>Ambulance Equipment</u>	<u>911 Emergency Services</u>	<u>Officer Training</u>	<u>Park</u>	<u>D.A.R.E.</u>
ASSETS						
Cash demand and time deposits	\$ 168,438	\$ 68	\$ (2,011)	\$ 2,446	\$ 39,089	\$ 1,590
Taxes receivable	75,272	150,543	-0-	-0-	-0-	-0-
Accounts receivable	-0-	-0-	4,153	-0-	-0-	-0-
Due from other funds	-0-	6,916	-0-	1,151	-0-	-0-
Due from governmental units	-0-	-0-	20,126	-0-	-0-	-0-
Prepaid expenses	-0-	-0-	1,284	-0-	1,037	-0-
Total Assets	<u>\$ 243,710</u>	<u>\$ 157,527</u>	<u>\$ 23,552</u>	<u>\$ 3,597</u>	<u>\$ 40,126</u>	<u>\$ 1,590</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ -0-	\$ -0-	\$ 1,401	\$ -0-	\$ 924	\$ -0-
Accrued liabilities	-0-	-0-	1,693	-0-	682	-0-
Due to other funds	-0-	2,095	-0-	-0-	320	-0-
Due to other governmental units	-0-	-0-	-0-	-0-	-0-	-0-
Deferred revenue	<u>75,272</u>	<u>150,543</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Liabilities	<u>75,272</u>	<u>152,638</u>	<u>3,094</u>	<u>-0-</u>	<u>1,926</u>	<u>-0-</u>
Fund Equity:						
Undesignated	<u>168,438</u>	<u>4,889</u>	<u>20,458</u>	<u>3,597</u>	<u>38,200</u>	<u>1,590</u>
Total Fund Equity	<u>168,438</u>	<u>4,889</u>	<u>20,458</u>	<u>3,597</u>	<u>38,200</u>	<u>1,590</u>
Total Liabilities and Fund Equity	<u>\$ 243,710</u>	<u>\$ 157,527</u>	<u>\$ 23,552</u>	<u>\$ 3,597</u>	<u>\$ 40,126</u>	<u>\$ 1,590</u>

SPECIAL REVENUE FUNDS

<u>Friend of the Court</u>	<u>Public Guardianship</u>	<u>Hazardous Materials</u>	<u>Historical Commission</u>	<u>Gypsy Moth</u>	<u>Public Improvement</u>	<u>Drug Law Enforcement</u>
\$ 37,846	\$ 1,667	\$ 2	\$ 616	\$ 79,576	\$ 22,018	\$ 12,830
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
36,213	-0-	-0-	-0-	-0-	-0-	-0-
2,074	-0-	-0-	-0-	-0-	-0-	-0-
<u>\$ 76,133</u>	<u>\$ 1,667</u>	<u>\$ 2</u>	<u>\$ 616</u>	<u>\$ 79,576</u>	<u>\$ 22,018</u>	<u>\$ 12,830</u>
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
1,322	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>1,322</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>74,811</u>	<u>1,667</u>	<u>2</u>	<u>616</u>	<u>79,576</u>	<u>22,018</u>	<u>12,830</u>
<u>74,811</u>	<u>1,667</u>	<u>2</u>	<u>616</u>	<u>79,576</u>	<u>22,018</u>	<u>12,830</u>
<u>\$ 76,133</u>	<u>\$ 1,667</u>	<u>\$ 2</u>	<u>\$ 616</u>	<u>\$ 79,576</u>	<u>\$ 22,018</u>	<u>\$ 12,830</u>

OSCODA COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2004

	County Law Library	Building Codes	County Library	Council on Aging	Strong Families Safe Children	Family Independence
ASSETS						
Cash demand and time deposits	\$ 561	\$ 44,298	\$ 75,948	\$ 78,185	\$ 6,135	\$ 43,372
Taxes receivable	-0-	-0-	-0-	137,928	-0-	-0-
Accounts receivable	-0-	-0-	-0-	-0-	-0-	-0-
Due from other funds	-0-	-0-	-0-	-0-	-0-	-0-
Due from governmental units	-0-	-0-	-0-	-0-	436	11,474
Prepaid expenses	-0-	1,037	1,037	-0-	-0-	-0-
Total Assets	<u>\$ 561</u>	<u>\$ 45,335</u>	<u>\$ 76,985</u>	<u>\$ 216,113</u>	<u>\$ 6,571</u>	<u>\$ 54,846</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ -0-	\$ 3,575	\$ 2,848	\$ -0-	\$ -0-	\$ 4,448
Accrued liabilities	-0-	935	1,013	-0-	148	-0-
Due to other funds	-0-	-0-	3,056	-0-	-0-	-0-
Due to other governmental units	-0-	-0-	-0-	-0-	-0-	-0-
Deferred revenue	-0-	-0-	-0-	137,928	-0-	-0-
Total Liabilities	<u>-0-</u>	<u>4,510</u>	<u>6,917</u>	<u>137,928</u>	<u>148</u>	<u>4,448</u>
Fund Equity:						
Undesignated	<u>561</u>	<u>40,825</u>	<u>70,068</u>	<u>78,185</u>	<u>6,423</u>	<u>50,398</u>
Total Fund Equity	<u>561</u>	<u>40,825</u>	<u>70,068</u>	<u>78,185</u>	<u>6,423</u>	<u>50,398</u>
Total Liabilities and Fund Equity	<u>\$ 561</u>	<u>\$ 45,335</u>	<u>\$ 76,985</u>	<u>\$ 216,113</u>	<u>\$ 6,571</u>	<u>\$ 54,846</u>

SPECIAL REVENUE FUNDS							
Child Care	Soldiers and Sailors	Veterans Trust	Basic Grant	Youth Services	Register of Deeds Automation	Airport	Totals
\$ (40,786)	\$ 9,673	\$ 674	\$ -0-	\$ 483	\$ 23,565	\$ 25,554	\$ 631,837
-0-	-0-	-0-	-0-	-0-	-0-	-0-	363,743
-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,153
-0-	-0-	-0-	5,000	-0-	-0-	-0-	13,067
49,740	-0-	-0-	3,750	-0-	-0-	-0-	121,739
-0-	-0-	-0-	-0-	-0-	-0-	-0-	6,469
<u>\$ 8,954</u>	<u>\$ 9,673</u>	<u>\$ 674</u>	<u>\$ 8,750</u>	<u>\$ 483</u>	<u>\$ 23,565</u>	<u>\$ 25,554</u>	<u>\$ 1,141,008</u>
\$ 44,988	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 58,184
-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,793
5,000	-0-	-0-	6,250	-0-	-0-	-0-	16,721
22,040	-0-	-0-	-0-	-0-	-0-	-0-	22,040
-0-	-0-	-0-	-0-	-0-	-0-	-0-	363,743
<u>72,028</u>	<u>-0-</u>	<u>-0-</u>	<u>6,250</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>466,481</u>
<u>(63,074)</u>	<u>9,673</u>	<u>674</u>	<u>2,500</u>	<u>483</u>	<u>23,565</u>	<u>25,554</u>	<u>674,527</u>
<u>(63,074)</u>	<u>9,673</u>	<u>674</u>	<u>2,500</u>	<u>483</u>	<u>23,565</u>	<u>25,554</u>	<u>674,527</u>
<u>\$ 8,954</u>	<u>\$ 9,673</u>	<u>\$ 674</u>	<u>\$ 8,750</u>	<u>\$ 483</u>	<u>\$ 23,565</u>	<u>\$ 25,554</u>	<u>\$ 1,141,008</u>

OSCODA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2004

	Sheriff Equipment	Ambulance Equipment	911 Emergency Services	Officer Training	Park
Revenue:					
Taxes	\$ 139,844	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Licenses and Permits	-0-	-0-	-0-	-0-	-0-
State	-0-	-0-	78,269	2,483	-0-
Charges for services	-0-	-0-	-0-	-0-	107,642
Fines and forfeits	-0-	-0-	-0-	-0-	-0-
Interest earned	1,655	65	-0-	-0-	392
Other	2,629	-0-	42,222	-0-	-0-
Total Revenue	<u>144,128</u>	<u>65</u>	<u>120,491</u>	<u>2,483</u>	<u>108,034</u>
Expenditures:					
Judicial	-0-	-0-	-0-	-0-	-0-
General Government	-0-	-0-	-0-	-0-	-0-
Public safety	89,548	22,683	125,478	1,811	-0-
Public works	-0-	-0-	-0-	-0-	-0-
Health and welfare	-0-	-0-	-0-	-0-	-0-
Recreation and cultural	-0-	-0-	-0-	-0-	108,583
Total Expenditures	<u>89,548</u>	<u>22,683</u>	<u>125,478</u>	<u>1,811</u>	<u>108,583</u>
Excess:					
Revenue over (under) expenditures	<u>54,580</u>	<u>(22,618)</u>	<u>(4,987)</u>	<u>672</u>	<u>(549)</u>
Other Financing Sources (Uses):					
Operating transfers in	-0-	22,655	-0-	-0-	3,000
Operating transfers out	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>22,655</u>	<u>-0-</u>	<u>-0-</u>	<u>3,000</u>
Excess:					
Revenue and other financing sources over (under) expenditures and other financing uses	<u>54,580</u>	<u>37</u>	<u>(4,987)</u>	<u>672</u>	<u>2,451</u>
Fund balance (deficit) - January 1	<u>113,858</u>	<u>4,852</u>	<u>25,445</u>	<u>2,925</u>	<u>35,749</u>
Fund balance (deficit) - December 31	<u>\$ 168,438</u>	<u>\$ 4,889</u>	<u>\$ 20,458</u>	<u>\$ 3,597</u>	<u>\$ 38,200</u>

SPECIAL REVENUE FUNDS					
<u>D.A.R.E.</u>	<u>Friend of the Court</u>	<u>Public Guardianship</u>	<u>Hazardous Materials</u>	<u>Historical Commission</u>	<u>Gypsy Moth</u>
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
-0-	-0-	-0-	-0-	-0-	-0-
-0-	101,108	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	808
<u>3,029</u>	<u>11,806</u>	<u>8,568</u>	<u>-0-</u>	<u>3,017</u>	<u>-0-</u>
<u>3,029</u>	<u>112,914</u>	<u>8,568</u>	<u>-0-</u>	<u>3,017</u>	<u>808</u>
-0-	105,746	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-
2,490	-0-	-0-	5,507	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	8,889	-0-	-0-	45,882
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8,156</u>	<u>-0-</u>
<u>2,490</u>	<u>105,746</u>	<u>8,889</u>	<u>5,507</u>	<u>8,156</u>	<u>45,882</u>
<u>539</u>	<u>7,168</u>	<u>(321)</u>	<u>(5,507)</u>	<u>(5,139)</u>	<u>(45,074)</u>
-0-	10,000	685	5,475	4,500	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>	<u>10,000</u>	<u>685</u>	<u>5,475</u>	<u>4,500</u>	<u>-0-</u>
539	17,168	364	(32)	(639)	(45,074)
<u>1,051</u>	<u>57,643</u>	<u>1,303</u>	<u>34</u>	<u>1,255</u>	<u>124,650</u>
<u>\$ 1,590</u>	<u>\$ 74,811</u>	<u>\$ 1,667</u>	<u>\$ 2</u>	<u>\$ 616</u>	<u>\$ 79,576</u>

OSCODA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2004

	Public Improvement	Drug Law Enforcement	County Law Library	Building Codes	County Library
Revenue:					
Taxes	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Licenses and Permits	-0-	-0-	-0-	138,250	-0-
State	-0-	-0-	-0-	-0-	8,218
Charges for services	-0-	-0-	-0-	-0-	-0-
Fines and forfeits	-0-	-0-	2,000	-0-	91,692
Interest earned	-0-	-0-	-0-	-0-	780
Other	-0-	2,285	-0-	-0-	5,654
Total Revenue	-0-	2,285	2,000	138,250	106,344
Expenditures:					
Judicial	-0-	-0-	4,991	-0-	-0-
General Government	-0-	-0-	-0-	-0-	-0-
Public safety	-0-	10,360	-0-	142,729	-0-
Public works	-0-	-0-	-0-	-0-	-0-
Health and welfare	-0-	-0-	-0-	-0-	-0-
Recreation and cultural	18,136	-0-	-0-	-0-	92,467
Total Expenditures	18,136	10,360	4,991	142,729	92,467
Excess:					
Revenue over (under) expenditures	(18,136)	(8,075)	(2,991)	(4,479)	13,877
Other Financing Sources (Uses):					
Operating transfers in	30,000	10,360	2,760	-0-	-0-
Operating transfers out	-0-	-0-	-0-	-0-	-0-
Total Other Financing Sources (Uses)	30,000	10,360	2,760	-0-	-0-
Excess:					
Revenue and other financing sources over (under) expenditures and other financing uses	11,864	2,285	(231)	(4,479)	13,877
Fund balance (deficit) - January 1	10,154	10,545	792	45,304	56,191
Fund balance (deficit) - December 31	<u>\$ 22,018</u>	<u>\$ 12,830</u>	<u>\$ 561</u>	<u>\$ 40,825</u>	<u>\$ 70,068</u>

SPECIAL REVENUE FUNDS						
Council on Aging	Strong Families Safe Children	Family Independence Agency	Child Care	Soldiers And Sailors	Veterans Trust	Basic Grant
\$ 131,761	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	5,377	182,270	126,339	-0-	433	13,750
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
1,067	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	4,681	-0-	-0-	-0-
<u>132,828</u>	<u>5,377</u>	<u>182,270</u>	<u>131,020</u>	<u>-0-</u>	<u>433</u>	<u>13,750</u>
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
144,000	4,233	187,347	339,784	9,264	210	-0-
-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>144,000</u>	<u>4,233</u>	<u>187,347</u>	<u>339,784</u>	<u>9,264</u>	<u>210</u>	<u>-0-</u>
(11,172)	1,144	(5,077)	(208,764)	(9,264)	223	13,750
-0-	-0-	7,441	144,500	7,500	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-	(11,250)
-0-	-0-	7,441	144,500	7,500	-0-	(11,250)
(11,172)	1,144	2,364	(64,264)	(1,764)	223	2,500
<u>89,357</u>	<u>5,279</u>	<u>48,034</u>	<u>1,190</u>	<u>11,437</u>	<u>451</u>	<u>-0-</u>
<u>\$ 78,185</u>	<u>\$ 6,423</u>	<u>\$ 50,398</u>	<u>\$ (63,074)</u>	<u>\$ 9,673</u>	<u>\$ 674</u>	<u>\$ 2,500</u>

OSCODA COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2004

	SPECIAL REVENUE FUNDS			Totals
	Youth Services	Register of Deeds Automation	Airport	
Revenue:				
Taxes	\$ -0-	\$ -0-	\$ -0-	\$ 271,605
Licenses and Permits	-0-	-0-	-0-	138,250
State	-0-	-0-	-0-	518,247
Charges for services	-0-	-0-	-0-	107,642
Fines and forfeits	-0-	-0-	-0-	93,692
Interest earned	-0-	167	-0-	4,934
Other	-0-	-0-	6,210	90,101
Total Revenue	-0-	167	6,210	1,224,471
Expenditures:				
Judicial	-0-	-0-	-0-	110,737
General Government	-0-	10,393	18,374	28,767
Public safety	-0-	-0-	-0-	400,606
Public works	-0-	-0-	-0-	45,882
Health and welfare	100	-0-	-0-	693,827
Recreation and cultural	-0-	-0-	-0-	227,342
Total Expenditures	100	10,393	18,374	1,507,161
Excess:				
Revenue over (under) expenditures	(100)	(10,226)	(12,164)	(282,690)
Other Financing Sources (Uses):				
Operating transfers in	-0-	21,765	37,718	308,359
Operating transfers out	-0-	(3,672)	-0-	(14,922)
Total Other Financing Sources (Uses)	-0-	18,093	37,718	293,437
Excess:				
Revenue and other financing sources over (under) expenditures and other financing uses	(100)	7,867	25,554	10,747
Fund balance (deficit) - January 1	583	15,698	-0-	663,780
Fund balance (deficit) - December 31	\$ 483	\$ 23,565	\$ 25,554	\$ 674,527

OSCODA COUNTY
 SHERIFF EQUIPMENT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 168,438	\$ 113,858
Taxes receivable	<u>75,272</u>	<u>140,014</u>
Total Assets	<u>\$ 243,710</u>	<u>\$ 253,872</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Deferred revenue	<u>\$ 75,272</u>	<u>\$ 140,014</u>
Total Liabilities	<u>75,272</u>	<u>140,014</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>168,438</u>	<u>113,858</u>
Total Fund Equity	<u>168,438</u>	<u>113,858</u>
Total Liabilities and Fund Equity	<u>\$ 243,710</u>	<u>\$ 253,872</u>

OSCODA COUNTY
 SHERIFF EQUIPMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Taxes	\$ 136,205	\$ 136,205	\$ 139,844	\$ 3,639
Interest	-0-	-0-	1,655	1,655
Other	-0-	-0-	2,629	2,629
Total Revenue	<u>136,205</u>	<u>136,205</u>	<u>144,128</u>	<u>7,923</u>
Expenditures:				
Equipment supplies	-0-	-0-	16,199	(16,199)
Capital outlay	<u>136,205</u>	<u>136,205</u>	<u>73,349</u>	<u>62,856</u>
Total Expenditures	<u>136,205</u>	<u>136,205</u>	<u>89,548</u>	<u>46,657</u>
Excess:				
Revenue over (under) expenditures	-0-	-0-	54,580	54,580
Fund balance (deficit) - January 1	<u>113,858</u>	<u>113,858</u>	<u>113,858</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 113,858</u>	<u>\$ 113,858</u>	<u>\$ 168,438</u>	<u>\$ 54,580</u>

OSCODA COUNTY
AMBULANCE EQUIPMENT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 68	\$ 31
Due from other funds	6,916	6,916
Taxes receivable	<u>150,543</u>	<u>-0-</u>
Total Assets	<u>\$ 157,527</u>	<u>\$ 6,947</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Due to other funds	\$ 2,095	\$ 2,095
Deferred revenue	<u>150,543</u>	<u>-0-</u>
Total Liabilities	<u>152,638</u>	<u>2,095</u>
Fund Equity		
Fund balance:		
Undesignated	<u>4,889</u>	<u>4,852</u>
Total Fund Equity	<u>4,889</u>	<u>4,852</u>
Total Liabilities and Fund Equity	<u>\$ 157,527</u>	<u>\$ 6,947</u>

OSCODA COUNTY
 AMBULANCE EQUIPMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Interest earned	\$ 300	\$ 300	\$ 65	\$ (235)
Other	<u>1,000</u>	<u>1,000</u>	<u>-0-</u>	<u>(1,000)</u>
Total Revenue	<u>1,300</u>	<u>1,300</u>	<u>65</u>	<u>(1,235)</u>
Expenditures:				
Miscellaneous	-0-	-0-	18	(18)
Capital outlay	<u>45,000</u>	<u>45,000</u>	<u>22,665</u>	<u>22,335</u>
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>22,683</u>	<u>22,317</u>
Excess:				
Revenue over (under) expenditures	<u>(43,700)</u>	<u>(43,700)</u>	<u>(22,618)</u>	<u>21,082</u>
Other Financing Sources (Uses):				
Operating Transfers in	<u>45,000</u>	<u>45,000</u>	<u>22,655</u>	<u>(22,345)</u>
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>45,000</u>	<u>22,655</u>	<u>(22,345)</u>
Excess:				
Revenues over (under) expenditures and other financing uses	1,300	1,300	37	(1,263)
Fund balance (deficit) - January 1	<u>4,852</u>	<u>4,852</u>	<u>4,852</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 6,152</u>	<u>\$ 6,152</u>	<u>\$ 4,889</u>	<u>\$ (1,263)</u>

OSCODA COUNTY
EMERGENCY SERVICES FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash demand and time deposits	\$ (2,011)	\$ 10,460
Accounts receivable	4,153	2,763
Due from other governmental units	20,126	18,766
Prepaid expenses	<u>1,284</u>	<u>-0-</u>
Total Assets	<u>\$ 23,552</u>	<u>\$ 31,989</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	\$ 1,401	\$ 972
Accrued liabilities	<u>1,693</u>	<u>5,572</u>
Total Liabilities	<u>3,094</u>	<u>6,544</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>20,458</u>	<u>25,445</u>
Total Fund Equity	<u>20,458</u>	<u>25,445</u>
Total Liabilities and Fund Equity	<u>\$ 23,552</u>	<u>\$ 31,989</u>

OSCODA COUNTY
EMERGENCY SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 90,350	\$ 90,350	\$ 78,269	\$ (12,081)
Fees	<u>48,650</u>	<u>48,650</u>	<u>42,222</u>	<u>(6,428)</u>
Total Revenue	<u>139,000</u>	<u>139,000</u>	<u>120,491</u>	<u>(18,509)</u>
Expenditures:				
Salaries	99,452	102,506	84,397	18,109
Fringes	41,794	42,028	35,440	6,588
Supplies	800	800	205	595
Telephone	200	200	312	(112)
Employee training & uniforms	1,500	1,500	85	1,415
Repairs and maintenance	5,000	5,000	5,039	(39)
Capital outlay	<u>6,500</u>	<u>6,500</u>	<u>-0-</u>	<u>6,500</u>
Total Expenditures	<u>155,246</u>	<u>158,534</u>	<u>125,478</u>	<u>33,056</u>
Excess:				
Revenues over (under) expenditures	(16,246)	(19,534)	(4,987)	14,547
Fund Balance (deficit) - January 1	<u>25,445</u>	<u>25,445</u>	<u>25,445</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 9,199</u>	<u>\$ 5,911</u>	<u>\$ 20,458</u>	<u>\$ 14,547</u>

OSCODA COUNTY
OFFICER TRAINING FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 2,446	\$ 1,774
Due from other funds	<u>1,151</u>	<u>1,151</u>
Total Assets	<u>\$ 3,597</u>	<u>\$ 2,925</u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	<u>\$ 3,597</u>	<u>\$ 2,925</u>
Total Fund Equity	<u>\$ 3,597</u>	<u>\$ 2,925</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 2,800	\$ 2,800	\$ 2,483	\$ (317)
Total Revenue	<u>2,800</u>	<u>2,800</u>	<u>2,483</u>	<u>(317)</u>
Expenditures:				
Charges for services	<u>2,500</u>	<u>2,500</u>	<u>1,811</u>	<u>689</u>
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,811</u>	<u>689</u>
Excess:				
Revenues over (under) expenditures	300	300	672	372
Fund Balance (deficit) - January 1	<u>2,925</u>	<u>2,925</u>	<u>2,925</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 3,225</u>	<u>\$ 3,225</u>	<u>\$ 3,597</u>	<u>\$ 372</u>

OSCODA COUNTY
 PARK FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 39,089	\$ 38,008
Prepaid expenses	<u>1,037</u>	<u>-0-</u>
Total Assets	<u>\$ 40,126</u>	<u>\$ 38,008</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 924	\$ 518
Accrued liabilities	682	1,421
Due to other funds	<u>320</u>	<u>320</u>
Total Liabilities	<u>1,926</u>	<u>2,259</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>38,200</u>	<u>35,749</u>
Total Fund Equity	<u>38,200</u>	<u>35,749</u>
Total Liabilities and Fund Equity	<u>\$ 40,126</u>	<u>\$ 38,008</u>

OSCODA COUNTY
PARK FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Park Sales	\$ 100,500	\$ 107,474	\$ 107,642	\$ 168
Interest	500	500	392	(108)
Total Revenue	<u>101,000</u>	<u>107,974</u>	<u>108,034</u>	<u>60</u>
Expenditures:				
Salaries	44,029	44,029	45,228	(1,199)
Fringes	21,200	21,200	24,274	(3,074)
Supplies	400	400	398	2
Fuel oil & gasoline	700	700	913	(213)
Printing and publishing	1,200	1,200	1,406	(206)
Ice and firewood for resale	2,600	19,271	3,422	15,849
Tax lease	3,400	3,400	3,333	67
Grounds care maintenance	9,100	9,100	7,485	1,615
Repair & maintenance	4,560	4,560	6,557	(1,997)
Insurance	1,450	1,450	1,596	(146)
Utilities	10,790	10,790	11,049	(259)
Sanitation services	1,700	1,700	2,682	(982)
Travel	200	200	240	(40)
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>-0-</u>	<u>2,000</u>
Total Expenditures	<u>103,329</u>	<u>120,000</u>	<u>108,583</u>	<u>11,417</u>
Excess:				
Revenues over (under) expenditures	<u>(2,329)</u>	<u>(12,206)</u>	<u>(549)</u>	<u>11,477</u>
Other Financing Sources (Uses):				
Operating transfer in	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	671	(9,026)	2,451	11,417
Fund Balance (deficit) - January 1	<u>35,749</u>	<u>35,749</u>	<u>35,749</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 36,420</u>	<u>\$ 26,723</u>	<u>\$ 38,200</u>	<u>\$ 11,477</u>

OSCODA COUNTY
 D.A.R.E. FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Cash demand and time deposits	\$ 1,590	\$ 1,051
Total Assets	<u>\$ 1,590</u>	<u>\$ 1,051</u>
FUND EQUITY:		
Fund balance:		
Undesignated	\$ 1,590	\$ 1,051
Total Fund Equity	<u>\$ 1,590</u>	<u>\$ 1,051</u>

OSCODA COUNTY
 D.A.R.E. FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Donations	\$ 500	\$ 500	\$ 400	\$ (100)
Fees	<u>1,500</u>	<u>1,500</u>	<u>2,629</u>	<u>1,129</u>
Total Revenue	<u>2,000</u>	<u>2,000</u>	<u>3,029</u>	<u>1,029</u>
Expenditures:				
Supplies	<u>3,100</u>	<u>3,100</u>	<u>2,490</u>	<u>610</u>
Total Expenditures	<u>3,100</u>	<u>3,100</u>	<u>2,490</u>	<u>610</u>
Excess:				
Revenues over (under) expenditures	(1,100)	(1,100)	539	1,639
Fund balance (deficit) - January 1	<u>1,100</u>	<u>1,100</u>	<u>1,051</u>	<u>(49)</u>
Fund balance (deficit) - December 31	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,590</u>	<u>\$ 1,590</u>

OSCODA COUNTY
 FRIEND OF THE COURT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 37,846	\$ 51,636
Prepaid expenses	2,074	-0-
Due from state	<u>36,213</u>	<u>10,594</u>
Total Assets	<u>\$ 76,133</u>	<u>\$ 62,230</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	\$ -0-	\$ 4,587
Accrued Liabilities	<u>1,322</u>	<u>-0-</u>
Total Liabilities	<u>1,322</u>	<u>4,587</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>74,811</u>	<u>57,643</u>
Total Fund Equity	<u>74,811</u>	<u>57,643</u>
Total Liabilities and Fund Equity	<u>\$ 76,133</u>	<u>\$ 62,230</u>

OSCODA COUNTY
 FRIEND OF THE COURT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ -0-	\$ -0-	\$ 101,108	\$ 101,108
Fees	<u>6,450</u>	<u>6,450</u>	<u>11,806</u>	<u>5,356</u>
Total Revenue	<u>6,450</u>	<u>6,450</u>	<u>112,914</u>	<u>106,464</u>
Expenditures:				
Salaries	-0-	44,372	40,699	3,673
Fringes	-0-	21,576	25,015	(3,439)
Supplies	-0-	4,800	6,470	(1,670)
Contracted services	-0-	4,400	5,188	(788)
Utilities	-0-	1,200	2,159	(959)
Travel	-0-	700	3,895	(3,195)
Printing and publishing	-0-	300	443	(143)
Payments to other				
Governments	-0-	16,663	21,447	(4,784)
Repairs and maintenance	-0-	-0-	295	(295)
Miscellaneous	-0-	-0-	135	(135)
Capital outlay	<u>-0-</u>	<u>6,000</u>	<u>-0-</u>	<u>6,000</u>
Total Expenditures	<u>-0-</u>	<u>100,011</u>	<u>105,746</u>	<u>(5,735)</u>
Excess:				
Revenue over (under)				
expenditures	<u>6,450</u>	<u>(93,561)</u>	<u>7,168</u>	<u>100,729</u>
Other Financing Sources (uses):				
Operating transfers in	10,000	10,000	10,000	-0-
Operating transfers out	<u>(35,899)</u>	<u>(35,899)</u>	<u>-0-</u>	<u>35,899</u>
Total Other Financing				
Sources (uses):	<u>(25,899)</u>	<u>(25,899)</u>	<u>10,000</u>	<u>35,899</u>
Excess:				
Revenue and other financing				
sources over (under)				
expenditures	(19,449)	(119,460)	17,168	136,628
Fund Balance (deficit) -				
January 1	<u>57,643</u>	<u>119,460</u>	<u>57,643</u>	<u>(61,817)</u>
Fund Balance (deficit) -				
December 31	<u>\$ 38,194</u>	<u>\$ -0-</u>	<u>\$ 74,811</u>	<u>\$ 74,811</u>

OSCODA COUNTY
 PUBLIC GUARDIANSHIP FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ <u>1,667</u>	\$ <u>1,495</u>
Total Assets	\$ <u><u>1,667</u></u>	\$ <u><u>1,495</u></u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accrued liabilities	\$ <u>-0-</u>	\$ <u>192</u>
Total Liabilities	<u>-0-</u>	<u>192</u>
Fund Equity:		
Fund Balance:		
Undesignated	<u>1,667</u>	<u>1,303</u>
Total Fund Equity	<u>1,667</u>	<u>1,303</u>
Total Liabilities and Fund Equity	\$ <u><u>1,667</u></u>	\$ <u><u>1,495</u></u>

OSCODA COUNTY
 PUBLIC GUARDIANSHIP FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Fees	\$ 7,500	\$ 8,568	\$ 8,568	\$ -0-
Total Revenue	<u>7,500</u>	<u>8,568</u>	<u>8,568</u>	<u>-0-</u>
Expenditures:				
Salaries	6,450	7,565	7,663	(98)
Fringes	565	565	708	(143)
Supplies	250	250	290	(40)
Services	285	285	18	267
Telephone	125	125	-0-	125
Employee training	250	250	210	40
Capital outlay	<u>260</u>	<u>260</u>	<u>-0-</u>	<u>260</u>
Total Expenditures	<u>8,185</u>	<u>9,300</u>	<u>8,889</u>	<u>411</u>
Excess:				
Revenue over (under) expenditures	<u>(685)</u>	<u>(732)</u>	<u>(321)</u>	<u>411</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>685</u>	<u>685</u>	<u>685</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>685</u>	<u>685</u>	<u>685</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	<u>-0-</u>	<u>(47)</u>	<u>364</u>	<u>411</u>
Fund Balance (deficit) - January 1	<u>1,303</u>	<u>1,303</u>	<u>1,303</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 1,303</u>	<u>\$ 1,256</u>	<u>\$ 1,667</u>	<u>\$ 411</u>

OSCODA COUNTY
 HAZARDOUS MATERIALS
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ <u>2</u>	\$ <u>34</u>
Total Assets	\$ <u><u>2</u></u>	\$ <u><u>34</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>2</u>	\$ <u>34</u>
Total Fund Equity	\$ <u><u>2</u></u>	\$ <u><u>34</u></u>

OSCODA COUNTY
HAZARDOUS MATERIALS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Donations	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Expenditures:				
Supplies	330	364	2,312	(1,948)
Equipment	<u>1,845</u>	<u>5,145</u>	<u>3,195</u>	<u>1,950</u>
Total Expenditures	<u>2,175</u>	<u>5,509</u>	<u>5,507</u>	<u>2</u>
Excess:				
Revenues over (under) expenditures	<u>(2,175)</u>	<u>(5,509)</u>	<u>(5,507)</u>	<u>2</u>
Other Financing Sources (uses):				
Operating transfer in	<u>2,175</u>	<u>5,475</u>	<u>5,475</u>	<u>-0-</u>
Total Other Financing Sources (uses)	<u>2,175</u>	<u>5,475</u>	<u>5,475</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	-0-	(34)	(32)	2
Fund Balance (deficit) - January 1	<u>34</u>	<u>34</u>	<u>34</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 34</u>	<u>\$ -0-</u>	<u>\$ 2</u>	<u>\$ 2</u>

OSCODA COUNTY
 HISTORICAL COMMISSION
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 616	\$ 1,255
Total Assets	<u>\$ 616</u>	<u>\$ 1,255</u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ 616	\$ 1,255
Total Fund Equity	<u>\$ 616</u>	<u>\$ 1,255</u>

OSCODA COUNTY
 HISTORICAL COMMISSION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Donations	\$ 1,975	\$ 1,975	\$ 1,446	\$ (529)
Other	<u>1,525</u>	<u>1,525</u>	<u>1,571</u>	<u>46</u>
 Total Revenue	 <u>3,500</u>	 <u>3,500</u>	 <u>3,017</u>	 <u>(483)</u>
Expenditures:				
Salaries	3,600	3,600	3,701	(101)
Fringes	300	300	283	17
Supplies	150	3,150	3,000	150
Utilities	850	850	700	150
Repairs and maintenance	<u>200</u>	<u>500</u>	<u>472</u>	<u>28</u>
 Total Expenditures	 <u>5,100</u>	 <u>8,400</u>	 <u>8,156</u>	 <u>244</u>
Excess:				
Revenue over (under) expenditures	<u>(1,600)</u>	<u>(4,900)</u>	<u>(5,139)</u>	<u>(239)</u>
Other Financing Sources (Uses):				
Operating transfer in	<u>1,500</u>	<u>4,500</u>	<u>4,500</u>	<u>-0-</u>
 Total Other Financing Sources (Uses)	 <u>1,500</u>	 <u>4,500</u>	 <u>4,500</u>	 <u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	(100)	(400)	(639)	(239)
Fund balance (deficit) - January 1	<u>1,255</u>	<u>1,255</u>	<u>1,255</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 1,155</u>	<u>\$ 855</u>	<u>\$ 616</u>	<u>\$ (239)</u>

OSCODA COUNTY
 GYPSY MOTH FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 79,576	\$ 124,650
Total Assets	<u>\$ 79,576</u>	<u>\$ 124,650</u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ 79,576	\$ 124,650
Total Fund Equity	<u>\$ 79,576</u>	<u>\$ 124,650</u>

OSCODA COUNTY
 GYPSY MOTH FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Interest	\$ 1,000	\$ 1,000	\$ 808	\$ (192)
Total Revenue	<u>1,000</u>	<u>1,000</u>	<u>808</u>	<u>(192)</u>
Expenditures:				
Salaries	1,200	1,200	1,200	-0-
Fringes	92	92	92	-0-
Supplies	150	150	148	2
Contractual services	50,000	50,000	44,442	5,558
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>-0-</u>	<u>2,000</u>
Total Expenditures	<u>53,442</u>	<u>53,442</u>	<u>45,882</u>	<u>7,560</u>
Excess:				
Revenue over (under) expenditures	(52,442)	(52,442)	(45,074)	7,368
Fund balance (deficit) - January 1	<u>124,650</u>	<u>124,650</u>	<u>124,650</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 72,208</u>	<u>\$ 72,208</u>	<u>\$ 79,576</u>	<u>\$ 7,368</u>

OSCODA COUNTY
 PUBLIC IMPROVEMENT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 22,018	\$ 10,154
Total Assets	<u>\$ 22,018</u>	<u>\$ 10,154</u>
FUND EQUITY		
Fund Equity:		
Fund balance		
Undesignated	\$ 22,018	\$ 10,154
Total Fund Equity	<u>\$ 22,018</u>	<u>\$ 10,154</u>

OSCODA COUNTY
 PUBLIC IMPROVEMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Interest earned	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Expenditures:				
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>18,136</u>	<u>6,864</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>18,136</u>	<u>6,864</u>
Excess:				
Revenue over (under) expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>(18,136)</u>	<u>6,864</u>
Other Financing Sources and (Uses)				
Operating Transfers in	<u>50,000</u>	<u>50,000</u>	<u>30,000</u>	<u>(20,000)</u>
Total Other Financing Sources and (Uses)	<u>50,000</u>	<u>50,000</u>	<u>30,000</u>	<u>(20,000)</u>
Excess:				
Revenue and other financing sources over (under) expenditures and other financing uses	<u>25,000</u>	<u>25,000</u>	<u>11,864</u>	<u>(13,136)</u>
Fund balance (deficit) - January 1	<u>10,154</u>	<u>10,154</u>	<u>10,154</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u><u>\$ 35,154</u></u>	<u><u>\$ 35,154</u></u>	<u><u>\$ 22,018</u></u>	<u><u>\$ (13,136)</u></u>

OSCODA COUNTY
 DRUG LAW ENFORCEMENT FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ <u>12,830</u>	\$ <u>10,545</u>
Total Assets	\$ <u><u>12,830</u></u>	\$ <u><u>10,545</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>12,830</u>	\$ <u>10,545</u>
Total Fund Equity	\$ <u><u>12,830</u></u>	\$ <u><u>10,545</u></u>

OSCODA COUNTY
 DRUG LAW ENFORCEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
Other	\$ -0-	\$ -0-	\$ 2,285	\$ 2,285
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>2,285</u>	<u>2,285</u>
Expenditures:				
Payments to other governments	<u>10,360</u>	<u>10,360</u>	<u>10,360</u>	<u>-0-</u>
Total Expenditures	<u>10,360</u>	<u>10,360</u>	<u>10,360</u>	<u>-0-</u>
Excess:				
Revenues over (under) expenditures	<u>(10,360)</u>	<u>(10,360)</u>	<u>(8,075)</u>	<u>2,285</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>10,360</u>	<u>10,360</u>	<u>10,360</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>10,360</u>	<u>10,360</u>	<u>10,360</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	<u>-0-</u>	<u>-0-</u>	<u>2,285</u>	<u>2,285</u>
Fund Balance (deficit) - January 1	<u>10,545</u>	<u>10,545</u>	<u>10,545</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 10,545</u>	<u>\$ 10,545</u>	<u>\$ 12,830</u>	<u>\$ 2,285</u>

OSCODA COUNTY
 COUNTY LAW LIBRARY FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ <u>561</u>	\$ <u>792</u>
Total Assets	\$ <u><u>561</u></u>	\$ <u><u>792</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>561</u>	\$ <u>792</u>
Total Fund Equity	\$ <u><u>561</u></u>	\$ <u><u>792</u></u>

OSCODA COUNTY
 COUNTY LAW LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Fines and forfeits	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -0-</u>
Total Revenue	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-0-</u>
Expenditures:				
Books and periodicals	<u>4,760</u>	<u>5,321</u>	<u>4,991</u>	<u>330</u>
Total Expenditures	<u>4,760</u>	<u>5,321</u>	<u>4,991</u>	<u>330</u>
Excess:				
Revenue over (under) expenditures	<u>(2,760)</u>	<u>(3,321)</u>	<u>(2,991)</u>	<u>330</u>
Other Financing Sources (Uses):				
Operating transfers in	<u>2,760</u>	<u>2,760</u>	<u>2,760</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>2,760</u>	<u>2,760</u>	<u>2,760</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	<u>-0-</u>	<u>(561)</u>	<u>(231)</u>	<u>330</u>
Fund balance (deficit) - January 1	<u>792</u>	<u>792</u>	<u>792</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u><u>\$ 792</u></u>	<u><u>\$ 231</u></u>	<u><u>\$ 561</u></u>	<u><u>\$ 330</u></u>

OSCODA COUNTY
 BUILDING CODE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 44,298	\$ 51,337
Prepaid expenses	<u>1,037</u>	<u>-0-</u>
Total Assets	<u>\$ 45,335</u>	<u>\$ 51,337</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 3,575	\$ 4,099
Accrued liabilities	<u>935</u>	<u>1,934</u>
Total Liabilities	<u>4,510</u>	<u>6,033</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>40,825</u>	<u>45,304</u>
Total Fund Equity	<u>40,825</u>	<u>45,304</u>
Total Liabilities and Fund Equity	<u>\$ 45,335</u>	<u>\$ 51,337</u>

OSCODA COUNTY
 BUILDING CODE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
Permit fees	\$ 163,317	\$ 163,317	\$ 138,250	\$ (25,067)
Total Revenue	<u>163,317</u>	<u>163,317</u>	<u>138,250</u>	<u>(25,067)</u>
Expenditures:				
Salaries	48,280	49,780	48,797	983
Fringes	16,088	16,203	18,239	(2,036)
Supplies	5,300	5,300	7,522	(2,222)
Contracted Services	33,000	69,167	60,233	8,934
Dues	250	250	385	(135)
Utilities	600	600	688	(88)
Travel	500	500	44	456
Insurance	1,000	1,000	829	171
Repair and maintenance	1,100	1,100	757	343
Rent	5,000	5,000	5,000	-0-
Employee training	600	600	235	365
Capital Outlay	<u>500</u>	<u>500</u>	<u>-0-</u>	<u>500</u>
Total Expenditures	<u>112,218</u>	<u>150,000</u>	<u>142,729</u>	<u>7,271</u>
Excess:				
Revenues over (under) expenditures	51,099	13,317	(4,479)	(17,796)
Fund Balance (deficit) January 1	<u>45,304</u>	<u>45,304</u>	<u>45,304</u>	<u>-0-</u>
Fund Balance (deficit) December 31	<u>\$ 96,403</u>	<u>\$ 58,621</u>	<u>\$ 40,825</u>	<u>\$ (17,796)</u>

OSCODA COUNTY
COUNTY LIBRARY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 75,948	\$ 60,942
Prepaid expenses	<u>1,037</u>	<u>-0-</u>
Total Assets	<u>\$ 76,985</u>	<u>\$ 60,942</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 2,848	\$ -0-
Due to other funds	3,056	3,056
Accrued liabilities	<u>1,013</u>	<u>1,695</u>
Total Liabilities	<u>6,917</u>	<u>4,751</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>70,068</u>	<u>56,191</u>
Total Fund Equity	<u>70,068</u>	<u>56,191</u>
Total Liabilities and Fund Equity	<u>\$ 76,985</u>	<u>\$ 60,942</u>

OSCODA COUNTY
COUNTY LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 7,800	\$ 7,800	\$ 8,218	\$ 418
Fines and forfeits	80,000	80,000	91,692	11,692
Interest	400	400	780	380
Other	<u>4,000</u>	<u>4,000</u>	<u>5,654</u>	<u>1,654</u>
Total Revenue	<u>92,200</u>	<u>92,200</u>	<u>106,344</u>	<u>14,144</u>
Expenditures:				
Salaries and wages	38,948	38,948	40,817	(1,869)
Fringes	20,275	20,275	16,435	3,840
Supplies	3,100	3,100	1,976	1,124
Books and periodicals	9,800	9,800	8,396	1,404
Services	7,050	7,050	8,784	(1,734)
Utilities	8,500	8,500	8,754	(254)
Insurance	700	700	819	(119)
Miscellaneous	3,327	3,327	6,486	(3,159)
Capital outlay	<u>500</u>	<u>500</u>	<u>-0-</u>	<u>500</u>
Total Expenditures	<u>92,200</u>	<u>92,200</u>	<u>92,467</u>	<u>(267)</u>
Excess:				
Revenue and other financing sources over (under) expenditures	-0-	-0-	13,877	13,877
Fund balance (deficit) - January 1	<u>56,191</u>	<u>56,191</u>	<u>56,191</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 56,191</u>	<u>\$ 56,191</u>	<u>\$ 70,068</u>	<u>\$ 13,877</u>

OSCODA COUNTY
COUNCIL ON AGING
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 78,185	\$ 89,357
Taxes receivable	<u>137,928</u>	<u>132,206</u>
Total Assets	<u>\$ 216,113</u>	<u>\$ 221,563</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Deferred revenue	<u>\$ 137,928</u>	<u>\$ 132,206</u>
Total Liabilities	<u>137,928</u>	<u>132,206</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>78,185</u>	<u>89,357</u>
Total Fund Equity	<u>78,185</u>	<u>89,357</u>
Total Liabilities and Fund Equity	<u>\$ 216,113</u>	<u>\$ 221,563</u>

OSCODA COUNTY
COUNCIL ON AGING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Actual</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Taxes	\$ 125,000	\$ 125,000	\$ 131,761	\$ 6,761
Interest	<u>1,000</u>	<u>1,000</u>	<u>1,067</u>	<u>67</u>
Total Revenue	<u>126,000</u>	<u>126,000</u>	<u>132,828</u>	<u>6,828</u>
Expenditures:				
Payments to other Governments	<u>150,000</u>	<u>150,000</u>	<u>144,000</u>	<u>6,000</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>144,000</u>	<u>6,000</u>
Excess:				
Revenue over (under) expenditures	(24,000)	(24,000)	(11,172)	12,828
Fund balance (deficit) - January 1	<u>89,357</u>	<u>89,357</u>	<u>89,357</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 65,357</u>	<u>\$ 65,357</u>	<u>\$ 78,185</u>	<u>\$ 12,828</u>

OSCODA COUNTY
 STRONG FAMILIES/SAFE CHILDREN FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 6,135	\$ 5,279
Due from other governmental units	<u>436</u>	<u>-0-</u>
Total Assets	<u>\$ 6,571</u>	<u>\$ 5,279</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accrued liabilities	\$ <u>148</u>	\$ <u>-0-</u>
Total Liabilities	<u>148</u>	<u>-0-</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>6,423</u>	<u>5,279</u>
Total Fund Equity	<u>6,423</u>	<u>5,279</u>
Total Liabilities and Fund Equity	<u>\$ 6,571</u>	<u>\$ 5,279</u>

OSCODA COUNTY
 STRONG FAMILIES/SAFE CHILDREN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
State	\$ <u>6,000</u>	\$ <u>6,000</u>	\$ <u>5,377</u>	\$ <u>(623)</u>
Total Revenue	<u>6,000</u>	<u>6,000</u>	<u>5,377</u>	<u>(623)</u>
Expenditures:				
Salaries	6,000	6,000	3,916	2,084
Fringes	<u>-0-</u>	<u>-0-</u>	<u>317</u>	<u>(317)</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>4,233</u>	<u>1,767</u>
Excess:				
Revenue over (under) expenditures	-0-	-0-	1,144	1,144
Fund balance (deficit) - January 1	<u>5,279</u>	<u>5,279</u>	<u>5,279</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 5,279</u>	<u>\$ 5,279</u>	<u>\$ 6,423</u>	<u>\$ 1,144</u>

OSCODA COUNTY
 FAMILY INDEPENDENCE AGENCY
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 43,372	\$ 36,400
Due from other governmental units	<u>11,474</u>	<u>11,634</u>
Total Assets	<u>\$ 54,846</u>	<u>\$ 48,034</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	<u>\$ 4,448</u>	<u>\$ -0-</u>
Total Liabilities	<u>4,448</u>	<u>-0-</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>50,398</u>	<u>48,034</u>
Total Fund Equity	<u>50,398</u>	<u>48,034</u>
Total Liabilities and Fund Equity	<u>\$ 54,846</u>	<u>\$ 48,034</u>

OSCODA COUNTY
 FAMILY INDEPENDENCE AGENCY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
State	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 182,270</u>	<u>\$ (17,730)</u>
Total Revenue	<u>200,000</u>	<u>200,000</u>	<u>182,270</u>	<u>(17,730)</u>
Expenditures:				
Charges for services	<u>250,000</u>	<u>250,000</u>	<u>187,347</u>	<u>62,653</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>187,347</u>	<u>62,653</u>
Excess:				
Revenue over (under) expenditures	<u>(50,000)</u>	<u>(50,000)</u>	<u>(5,077)</u>	<u>44,923</u>
Other Financing Sources:				
Operating transfers in	<u>7,400</u>	<u>7,400</u>	<u>7,441</u>	<u>41</u>
Total Other Financing Sources	<u>7,400</u>	<u>7,400</u>	<u>7,441</u>	<u>41</u>
Excess:				
Revenue and other financing sources over (under) expenditures	<u>(42,600)</u>	<u>(42,600)</u>	<u>2,364</u>	<u>44,964</u>
Fund balance (deficit) - January 1	<u>48,034</u>	<u>48,034</u>	<u>48,034</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 5,434</u>	<u>\$ 5,434</u>	<u>\$ 50,398</u>	<u>\$ 44,964</u>

OSCODA COUNTY
CHILD CARE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash demand and time deposits	\$ (40,786)	\$ 16,954
Due from other governmental units	<u>49,740</u>	<u>25,725</u>
Total Assets	<u>\$ 8,954</u>	<u>\$ 42,679</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 44,988	\$ 27,050
Due to other governmental units	22,040	9,439
Due to other funds	<u>5,000</u>	<u>5,000</u>
Total Liabilities	<u>72,028</u>	<u>41,489</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>(63,074)</u>	<u>1,190</u>
Total Fund Equity	<u>(63,074)</u>	<u>1,190</u>
Total Liabilities and Fund Equity	<u>\$ 8,954</u>	<u>\$ 42,679</u>

OSCODA COUNTY
 CHILD CARE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 147,111	\$ 147,111	\$ 126,339	\$ (20,772)
Other	<u>2,000</u>	<u>2,000</u>	<u>4,681</u>	<u>2,681</u>
Total Revenue	<u>149,111</u>	<u>149,111</u>	<u>131,020</u>	<u>(18,091)</u>
Expenditures:				
Charges for services	291,111	291,111	271,523	19,588
Payments to other governments	-0-	-0-	65,273	(65,273)
Travel	<u>2,500</u>	<u>2,500</u>	<u>2,988</u>	<u>(488)</u>
Total Expenditures	<u>293,611</u>	<u>293,611</u>	<u>339,784</u>	<u>(46,173)</u>
Excess:				
Revenue over (under) expenditures	<u>(144,500)</u>	<u>(144,500)</u>	<u>(208,764)</u>	<u>(64,264)</u>
Other Financing Sources:				
Operating transfers in	<u>144,500</u>	<u>144,500</u>	<u>144,500</u>	<u>-0-</u>
Total Other Financing Sources	<u>144,500</u>	<u>144,500</u>	<u>144,500</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	-0-	-0-	(64,264)	(64,264)
Fund balance (deficit) - January 1	<u>1,190</u>	<u>1,190</u>	<u>1,190</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 1,190</u>	<u>\$ 1,190</u>	<u>\$ (63,074)</u>	<u>\$ (64,264)</u>

OSCODA COUNTY
SOLDIERS AND SAILORS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash demand and time deposits	\$ <u>9,673</u>	\$ <u>11,437</u>
Total Assets	\$ <u><u>9,673</u></u>	\$ <u><u>11,437</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>9,673</u>	\$ <u>11,437</u>
Total Fund Equity	\$ <u><u>9,673</u></u>	\$ <u><u>11,437</u></u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Other	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Expenditures:				
Social welfare	<u>7,500</u>	<u>10,000</u>	<u>9,264</u>	<u>736</u>
Total Expenditures	<u>7,500</u>	<u>10,000</u>	<u>9,264</u>	<u>736</u>
Excess:				
Revenue over (under) expenditures	<u>(7,500)</u>	<u>(10,000)</u>	<u>(9,264)</u>	<u>736</u>
Other Financing Sources:				
Operating transfers in	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-0-</u>
Total Other Financing Sources	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	<u>-0-</u>	<u>(2,500)</u>	<u>(1,764)</u>	<u>736</u>
Fund balance (deficit) - January 1	<u>11,437</u>	<u>11,437</u>	<u>11,437</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u><u>\$ 11,437</u></u>	<u><u>\$ 8,937</u></u>	<u><u>\$ 9,673</u></u>	<u><u>\$ 736</u></u>

OSCODA COUNTY
VETERANS TRUST FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ <u>674</u>	\$ <u>451</u>
Total Assets	\$ <u><u>674</u></u>	\$ <u><u>451</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>674</u>	\$ <u>451</u>
Total Fund Equity	\$ <u><u>674</u></u>	\$ <u><u>451</u></u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
State	\$ <u>1,832</u>	\$ <u>1,832</u>	\$ <u>433</u>	\$ <u>(1,399)</u>
Total Revenue	<u>1,832</u>	<u>1,832</u>	<u>433</u>	<u>(1,399)</u>
Expenditures:				
Social welfare	<u>2,500</u>	<u>2,500</u>	<u>210</u>	<u>2,290</u>
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>210</u>	<u>2,290</u>
Excess:				
Revenue over (under) expenditures	(668)	(668)	223	891
Fund balance (deficit) - January 1	<u>668</u>	<u>668</u>	<u>451</u>	<u>(217)</u>
Fund balance (deficit) - December 31	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 674</u></u>	<u><u>\$ 674</u></u>

OSCODA COUNTY
BASIC GRANT
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Due from other funds	\$ 5,000	\$ 5,000
Due from other governmental units	<u>3,750</u>	<u>1,250</u>
Total Assets	<u>\$ 8,750</u>	<u>\$ 6,250</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Due to other funds	\$ 6,250	\$ 6,250
Total Liabilities	<u>6,250</u>	<u>6,250</u>
Fund Equity:		
Fund balance:		
Undesignated	<u>2,500</u>	<u>-0-</u>
Total Fund Equity	<u>2,500</u>	<u>-0-</u>
Total Liabilities and Fund Equity	<u>\$ 8,750</u>	<u>\$ 6,250</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
State	\$ 15,000	\$ 15,000	\$ 13,750	\$ (1,250)
Total Revenue	<u>15,000</u>	<u>15,000</u>	<u>13,750</u>	<u>(1,250)</u>
Other Financing Uses:				
Operating transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(11,250)</u>	<u>3,750</u>
Total Other Financing Uses	<u>(15,000)</u>	<u>(15,000)</u>	<u>(11,250)</u>	<u>3,750</u>
Excess:				
Revenue over (under)				
Other financing uses	-0-	-0-	2,500	2,500
Fund balance (deficit) - January 1	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>

OSCODA COUNTY
 YOUTH SERVICES
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash demand and time deposits	\$ <u>483</u>	\$ <u>583</u>
Total Assets	\$ <u><u>483</u></u>	\$ <u><u>583</u></u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ <u>483</u>	\$ <u>583</u>
Total Fund Equity	\$ <u><u>483</u></u>	\$ <u><u>583</u></u>

OSCODA COUNTY
 YOUTH SERVICES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
Donations	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Revenue	<u> -0-</u>	<u> -0-</u>	<u> -0-</u>	<u> -0-</u>
Expenditures:				
Social Welfare	<u> 100</u>	<u> 300</u>	<u> 100</u>	<u> 200</u>
Total Expenditures	<u> 100</u>	<u> 300</u>	<u> 100</u>	<u> 200</u>
Excess:				
Revenues over (under) expenditures	(100)	(300)	(100)	200
Fund balance (deficit) - January 1	<u> 583</u>	<u> 583</u>	<u> 583</u>	<u> -0-</u>
Fund balance (deficit) - December 31	<u><u> 483</u></u>	<u><u> 283</u></u>	<u><u> 483</u></u>	<u><u> 200</u></u>

OSCODA COUNTY
REGISTER OF DEEDS AUTOMATION FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 23,565	\$ 15,698
Total Assets	<u>\$ 23,565</u>	<u>\$ 15,698</u>
FUND EQUITY		
Fund Equity:		
Fund balance:		
Undesignated	\$ 23,565	\$ 15,698
Total Fund Equity	<u>\$ 23,565</u>	<u>\$ 15,698</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Interest	\$ -0-	\$ -0-	\$ 167	\$ 167
Total Revenue	<u>-0-</u>	<u>-0-</u>	<u>167</u>	<u>167</u>
Expenditures:				
Supplies	-0-	-0-	1,443	(1,443)
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>8,950</u>	<u>11,050</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>10,393</u>	<u>9,607</u>
Excess:				
Revenue over (under) expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>(10,226)</u>	<u>9,774</u>
Other Financing Sources:				
Operating transfers in	20,000	20,000	21,765	1,765
Operating transfers out	<u>-0-</u>	<u>-0-</u>	<u>(3,672)</u>	<u>(3,672)</u>
Total Other Financing Sources	<u>20,000</u>	<u>20,000</u>	<u>18,093</u>	<u>(1,907)</u>
Excess:				
Revenue and other financing sources over (under) expenditures	-0-	-0-	7,867	7,867
Fund balance (deficit) - January 1	<u>15,698</u>	<u>15,698</u>	<u>15,698</u>	<u>-0-</u>
Fund balance (deficit) - December 31	<u>\$ 15,698</u>	<u>\$ 15,698</u>	<u>\$ 23,565</u>	<u>\$ 7,867</u>

OSCODA COUNTY
AIRPORT FUND
BALANCE SHEET
DECEMBER 31, 2004

ASSETS

Cash demand and time deposits \$ 25,554

Total Assets \$ 25,554

FUND EQUITY

Fund Equity:

Fund balance:

Undesignated \$ 25,554

Total Fund Equity \$ 25,554

OSCODA COUNTY
AIRPORT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue:				
Rent	\$ 7,000	\$ 7,000	\$ 6,210	\$ (790)
Total Revenue	<u>7,000</u>	<u>7,000</u>	<u>6,210</u>	<u>(790)</u>
Expenditures:				
Supplies	100	100	991	(891)
Charges for services	7,214	7,214	4,662	2,552
Insurance	1,600	1,600	1,400	200
Utilities	600	600	1,170	(570)
Repair and maintenance	3,675	3,675	3,057	618
Capital outlay	<u>6,811</u>	<u>6,811</u>	<u>7,094</u>	<u>(283)</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>18,374</u>	<u>1,626</u>
Excess:				
Revenues over (under) expenditures	<u>(13,000)</u>	<u>(13,000)</u>	<u>(12,164)</u>	<u>836</u>
Other Financing Sources (Uses):				
Operating transfer in	<u>37,718</u>	<u>37,718</u>	<u>37,718</u>	<u>-0-</u>
Total Other Financing Sources (Uses)	<u>37,718</u>	<u>37,718</u>	<u>37,718</u>	<u>-0-</u>
Excess:				
Revenue and other financing sources over (under) expenditures	24,718	24,718	25,554	836
Fund Balance (deficit) - January 1	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance (deficit) - December 31	<u>\$ 24,718</u>	<u>\$ 24,718</u>	<u>\$ 25,554</u>	<u>\$ 836</u>

OSCODA COUNTY
COMBINING BALANCE SHEET - ALL FIDUCIARY FUNDS
DECEMBER 31, 2004

	<u>Agency Funds</u>		
	<u>General</u>	<u>Library</u>	<u>Totals</u>
ASSETS			
Cash demand and time deposits	\$ 593,194	\$ 44,347	\$ 637,541
Total Assets	<u>\$ 593,194</u>	<u>\$ 44,347</u>	<u>\$ 637,541</u>
LIABILITIES			
Due to governmental units	\$ 76,128	\$ -0-	\$ 76,128
Undistributed collections	435,429	44,347	479,776
Other current liabilities	<u>81,637</u>	<u>-0-</u>	<u>81,637</u>
Total Liabilities	<u>\$ 593,194</u>	<u>\$ 44,347</u>	<u>\$ 637,541</u>

OSCODA COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
DECEMBER 31, 2004

<u>TRUST AND AGENCY</u>	<u>Balance January 1 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31 2004</u>
ASSETS				
Cash demand and time deposits	\$ 500,878	\$ 5,084,908	\$ 4,992,592	\$ 593,194
Total Assets	<u>\$ 500,878</u>	<u>\$ 5,084,908</u>	<u>\$ 4,992,592</u>	<u>\$ 593,194</u>
LIABILITIES				
Due to governmental units	\$ 48,269	\$ 4,111,820	\$ 4,083,961	\$ 76,128
Undistributed collections	380,225	847,908	792,704	435,429
Other current liabilities	<u>72,384</u>	<u>125,180</u>	<u>115,927</u>	<u>81,637</u>
Total Liabilities	<u>\$ 500,878</u>	<u>\$ 5,084,908</u>	<u>\$ 4,992,592</u>	<u>\$ 593,194</u>
<u>LIBRARY PENAL FINES</u>				
ASSETS				
Cash demand and time deposits	\$ 53,547	\$ 84,492	\$ 93,692	\$ 44,347
Total Assets	<u>\$ 53,547</u>	<u>\$ 84,492</u>	<u>\$ 93,692</u>	<u>\$ 44,347</u>
LIABILITIES				
Undistributed collections	\$ 53,547	\$ 84,492	\$ 93,692	\$ 44,347
Total Liabilities	<u>\$ 53,547</u>	<u>\$ 84,492</u>	<u>\$ 93,692</u>	<u>\$ 44,347</u>
<u>AGENCY FUND TOTALS</u>				
ASSETS				
Cash demand and time deposits	\$ 554,425	\$ 5,169,400	\$ 5,086,284	\$ 637,541
Total Assets	<u>\$ 554,425</u>	<u>\$ 5,169,400</u>	<u>\$ 5,086,284</u>	<u>\$ 637,541</u>
LIABILITIES				
Due to governmental units	\$ 48,269	\$ 4,111,820	\$ 4,083,961	\$ 76,128
Undistributed collections	433,772	932,400	886,396	479,776
Other current liabilities	<u>72,384</u>	<u>125,180</u>	<u>115,927</u>	<u>81,637</u>
Total Liabilities	<u>\$ 554,425</u>	<u>\$ 5,169,400</u>	<u>\$ 5,086,284</u>	<u>\$ 637,541</u>

OSCODA COUNTY
 TRUST AND AGENCY FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ 593,194	\$ 500,878
Total Assets	<u>\$ 593,194</u>	<u>\$ 500,878</u>
LIABILITIES		
Due to governmental units	\$ 76,128	\$ 48,269
Undistributed collections	435,429	380,225
Other current liabilities	<u>81,637</u>	<u>72,384</u>
Total Liabilities	<u>\$ 593,194</u>	<u>\$ 500,878</u>

OSCODA COUNTY
 LIBRARY PENAL FINES FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash demand and time deposits	\$ <u>44,347</u>	\$ <u>53,547</u>
Total Assets	\$ <u><u>44,347</u></u>	\$ <u><u>53,547</u></u>
LIABILITIES		
Undistributed collections	\$ <u>44,347</u>	\$ <u>53,547</u>
Total Liabilities	\$ <u><u>44,347</u></u>	\$ <u><u>53,547</u></u>



Anderson & Decker, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

245 Lake Street • P.O. Box 746 • Roscommon, MI 48653
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**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

May 10, 2005

Board of Commissioners
Oscoda County
Mio, MI 48647

Dear Board:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oscoda County as of and for the year ended December 31, 2004, which collectively comprise Oscoda County's basic financial statements and have issued our report thereon dated May 10, 2005. We did not audit the financial statements of the Special Revenue County Road Commission Fund, which statements represent 100 percent and 100 percent, respectively, of the assets and revenues of the component units. These statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Special Revenue County Road Commission Fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oscoda County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Oscoda County in a separate letter dated May 10, 2005.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Oscoda County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of Oscoda County, in a separate letter dated May 10, 2005.

This report is intended solely for the information and use of the audit committee, management, and Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "James A. Decker".

ANDERSON & DECKER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

OSCODA COUNTY
REPORT TO MANAGEMENT
DECEMBER 31, 2004



Anderson & Decker, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

245 Lake Street • P.O. Box 746 • Roscommon, MI 48653
(989) 275-8831

May 10, 2005

Board of Commissioners
Oscoda County
Mio, MI 48647

In planning and performing our audit of the financial statements of Oscoda County as of and for the year ended December 31, 2004, we considered the County's accounting, operational, and internal control procedures to determine the nature and extent of our audit testing for the purpose of expressing an opinion on the financial statements of the County and not to provide assurance on the procedures themselves.

We did however, during the course of our audit, become aware of certain matters that are opportunities for enhancing those procedures or controls. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated May 10, 2005 on the financial statements of Oscoda County.

We have already discussed these comments and suggestions with the Oscoda County personnel, and we will be pleased to discuss them in further detail at your convenience, and/or to perform any additional studies of these matters, should you so desire.

ANDERSON & DECKER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

HOUSING FUND

The housing director is currently using Quicken software to account for various housing programs and client files while the County accounts for the overall activity in and out of the various accounts. It appears that the two systems reconcile, however, the detail still varies. We recommend that the director review the detail on both systems periodically and make the required adjustments on a timely basis. It is also necessary that worksheets or summary statements be prepared and maintained to support all draw requests on program funding.

PAYROLL

The County has had a practice of converting salaried employees pay into an hourly amount for tracking compensated absences and calculating accruals. This treatment was also applied to elected officials' salaries. Elected officials should be paid on an annual basis the salary set by the Commissioners with no accruals. During 2004, a complete reconciliation was prepared for all employees and it appears that proper treatment of salaried and elected payroll is currently occurring.

CANCELLED CHECKS

Beginning in May 2004 the treasurer asked the bank not to return cancelled checks because of the fees being charged. We discovered this and requested that the treasurer reinstate the return of the cancelled checks which began in October 2004. The cancelled checks are an integral part of the audit process. They provide proof of authorized signatures, payor, and endorsement of the payor along with date of cancellation.

DELINQUENT TAX RECEIPTS

Receipts are issued for all delinquent tax payments. Until May 2004 these receipts were also referenced in the delinquent tax rolls. These references are also a form of internal controls. Without the tax roll reference, proper controls are not in place to track payments made on delinquent taxes and ultimately deposited into the bank accounts. Enhanced controls in the delinquent tax computer system would allow for the manual system to be eliminated.

CAPITAL OUTLAY

The County implemented procedures for record keeping and depreciating fixed assets acquired by the County both past and current. The prior purchases were completed by the board secretary while the current activity is maintained by the Clerk's department through claims and account. Through our 2004 analysis several adjustments were made to reclassify non-capital outlay items that did not meet the criteria established by the board. We recommend that the departmental and fund budgets be prepared in compliance with the capitalization policy established by the Board of Commissioners and the coding of the County expenditures for capital items be applied consistently. Ultimately, the clerk's department must be sure that only capital expenditures meeting the capitalization policy criteria are in the capital accounts.

TAX COLLECTIONS

The delinquent tax receivables are maintained on an independent system from the county general ledger. Posting for collections, levies, board of review changes, and homestead corrections are posted on individual tax accounts in the manatron system. Summary postings are made to the general ledger control accounts on a monthly basis. Periodically, a reconciliation should be performed to ensure that the control total in the general ledger matches the total in the delinquent tax program. This would allow for timely corrections of possible errors between the two systems.

CHILD CARE FUND

As of December 31, 2004, the Child Care Fund had a cash deficit and fund balance deficit of \$40,786 and \$63,074, respectively. Public Act 275 of 1980 requires that a deficit elimination plan be filed with the Department of Treasury within 90 days after the end of the fiscal year. As of the date of this audit, the plan had not been filed.